

In The
**United States Court Of Appeals
For The Federal Circuit**

MAUNA KEA TECHNOLOGIES,
Plaintiff – Appellant,

v.

ANTICANCER, INC.,
Defendant – Appellee.

**Appeal from the United States District Court for the
Southern District of California in case no. 3:11-cv-01407-CAB-JMA,
Judge Cathy Ann Bencivengo.**

BRIEF OF APPELLANT and JOINT APPENDIX

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CERTIFICATE OF INTEREST

Counsel for Appellant Mauna Kea Technologies certify the following:

1. The full name of every party or amicus represented by me is:

Mauna Kea Technologies
2. The name of the real party in interest represented by me is:

Mauna Kea Technologies
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party represented by me are:

Not applicable.
4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by in the trial or agency or are expected to appear in this Court are:

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STATEMENT OF RELATED CASES

There are no other related cases known to counsel to be pending before this or any other court or tribunal that will be directly affected by this Court's decision in this appeal.

JURISDICTIONAL STATEMENT

This case involves a declaratory judgment of non-infringement and invalidity of U.S. patents. The District Court has jurisdiction under 28 U.S.C. §§ 1331, 1338, 2201, and 2202.

The District Court issued an Order on March 3, 2014 that denied Mauna Kea Technologies' Motion for attorney fees under 35 U.S.C. § 285. Mauna Kea Technologies filed a timely Notice of Appeal on March 28, 2014.

This appeal is from the March 3, 2014 Order denying attorney fees under 35 U.S.C. § 285. This Court has jurisdiction under 28 U.S.C. § 1295(a)(1).

STATEMENT OF THE ISSUES

- A. Are the following conclusions of the District Court, which underlie its denial of Mauna Kea's attorney fees despite a finding that AntiCancer's patent infringement claims were exceptional under 35 U.S.C. § 285, legal error and therefore an abuse of discretion:
- a. All required evidentiary support relating to the amount and reasonableness of the requested fees must be submitted concurrently with the motion for attorney fees.
 - b. Mauna Kea is not entitled to any attorney fees based solely on a determination that its Motion did not include sufficient documentation to determine the amount and reasonableness of the requested fees.

- c. The declaratory judgment procedural posture requires that documentation must have been provided to separate out work on the declaratory judgment claims from the counterclaims asserting infringement.
- d. Mauna Kea is not entitled to compensation for fees arising from its invalidity defense, and documentation must have been provided to separate out such work.
- e. Mauna Kea is not entitled to fees arising from discovery, client reporting, and other litigation activities, and documentation must have been provided to separate out such work.
- f. Mauna Kea is not entitled to fees arising after AntiCancer indicated that it wanted to “withdraw” its infringement claims pursuant to the safe harbor provision of Fed. R. Civ. P. 11.

STATEMENT OF THE CASE SETTING OUT THE FACTS RELEVANT TO THE ISSUES

This case began when Mauna Kea sought a declaratory judgment of non-infringement and invalidity of AntiCancer's patents. (A023-28 and A031-33)¹. AntiCancer responded by asserting infringement of three separate patents in three separate ways: direct infringement, contributory infringement, and inducement of infringement. (A039-50). Mauna Kea's Answer denied each infringement claim and asserted the defense that AntiCancer's patents are invalid and unenforceable. (A053-058). There are no other claims or defenses asserted by either party in this case.

All infringement claims were resolved in Mauna Kea's favor pursuant to a Joint Motion. (A059-060). AntiCancer agreed to the joint dismissal only because Mauna Kea prepared and served a ready-for-filing Rule 11 Motion. (A091 and A089). Rather than challenge the motion, AntiCancer sought to "withdraw" its infringement counterclaims pursuant to the safe harbor provision of Rule 11.

¹ In 2006, AntiCancer sent letters to Mauna Kea demanding license fees for alleged infringement of several of AntiCancer's patents. (A031-33). Mauna Kea responded by asking which claims of which patents were alleged to be infringement by which Mauna Kea products or processes. AntiCancer did not respond and nothing further was heard from AntiCancer until 2010. In a letter of November 2010, AntiCancer renewed its infringement allegations and licensing demand. *Id.* In the four years between the 2006 and 2010 correspondences, Anticancer filed nine patent infringement actions against various other companies. *Id.* Accordingly, Mauna Kea filed a complaint for declaratory judgment of non-infringement and invalidity of AntiCancer's patents. (A023-28).

(A089). AntiCancer eventually agreed to a stipulated dismissal that (1) dismissed AntiCancer’s infringement claims with prejudice; (2) included a declaration of non-infringement; (3) gave leave to AntiCancer to file an Amended Complaint wherein its infringement claims were eliminated and wherein AntiCancer admitted that its patents were not infringed; and (4) dismissed Mauna Kea’s claims for Declaratory Judgment of Invalidity and Unenforceability without prejudice.

(A059-060). The dismissal also included the stipulated finding that Mauna Kea does not and has not infringed the patents-in-suit. *Id.*

In response to Mauna Kea’s declaratory judgment action, AntiCancer should have simply admitted that there was no infringement and foregone any infringement claims. Instead, AntiCancer forced Mauna Kea to litigate for over two years, including through the processes of infringement contentions, invalidity contentions, claim construction briefing and Markman hearing, written discovery requests and responses, discovery disputes, and the Rule 11 motion and stipulated dismissal that finally resolved AntiCancer’s infringement counterclaims. (A015-021).

Mauna Kea timely filed a Motion for Attorney Fees under 35 U.S.C. § 285, which specified that Mauna Kea sought \$193,198.50. (A062-3). The parties’ briefs on the motion concentrated almost entirely on whether or not AntiCancer’s patent infringement counterclaims were “exceptional” under that statute.

However, a portion of the briefs addressed the amount and the reasonableness of the requested fees. (A062-80; A082-84; and A086). In particular, Mauna Kea's opening brief contained (A063) a declaration in support of the fee request (A064-66) and four exhibits (A067-80). Also, Mauna Kea's reply brief emphasized that AntiCancer's infringement counterclaims were compulsory, not permissive, such that all litigation after AntiCancer's assertion of patent infringement claims in its Counterclaim was "truly a direct result of" the counterclaims. (A086).

Although a hearing on Mauna Kea's Motion for Attorney's Fees was scheduled, the District Court cancelled the hearing two days prior to the scheduled date. The notation in the docket sheet states that, "The Court finds this motion suitable for decision without oral argument." (A012).

The District Court issued an Order finding that AntiCancer's infringement claims were "objectively baseless" (A009) and "manifestly unreasonable" (A010) and that "AntiCancer unreasonably misinterprets the breadth of its asserted patents" (A009). Accordingly, the district court ruled that, "Mauna Kea prevails on all AntiCancer's counterclaims in demonstrating by clear and convincing evidence that this case is 'exceptional' under 35 U.S.C. § 285." (A010).

However, despite the finding of exceptionality, the District Court did not award attorney's fees to Mauna Kea. (A010-013). All reasons identified in the Order for not awarding attorney fees relate solely to the sufficiency of the

documentation Mauna Kea offered with its brief, a misconception of the declaratory judgment posture, and the timeliness of any supplemental documentation that may have been offered after the submission of its brief. *Id.*

The Order concluded that only certain specific attorney tasks would be compensable upon the finding that all of AntiCancer’s infringement claims were “exceptional”. *Id.* Pursuant to the conclusions that only certain specific attorney tasks would be compensable, the Order further concluded that the documentation submitted with Mauna Kea’s Motion for Attorney’s fees did not include sufficient details to allow the court to distinguish between attorney time spent on compensable matters and non-compensable matters. *Id.*

Specifically, the Order concluded that it was necessary to receive billing information sufficient “to distinguish between the hours incurred for work done on the counterclaims and hours incurred as a result of Mauna Kea’s noninfringement or invalidity claims under its Complaint for Declaratory Judgment.” (A011). The Order therefore drew a sharp distinction between hours worked on Mauna Kea’s requests for declaratory judgment of non-infringement and invalidity and hours worked on AntiCancer’s “counterclaims” of infringement: “Sufficient information should have been provided so as to allow both AntiCancer and the Court to identify the hours and assess the reasonableness of the hours worked in defending the counterclaims,” (A011); and, “[T]he Court has no way of assessing the

reasonableness of the hours worked or which hours were spent on defending the counterclaims.” (A011-12).

The Order also concluded that fees arising in connection with preparing invalidity contentions (prior art search, collection and review of prosecution files, etc) “are not related to defending the ‘exceptional case’ of AntiCancer’s counterclaims, and are therefore inappropriate to include in an award of attorney fees.” (A012). In reaching this conclusion, the Order placed weight on the declaratory judgment procedural posture: “Mauna Kea sought a determination of invalidity of AntiCancer’s patents in its Complaint for Declaratory Judgment, before AntiCancer asserted any counterclaims.” *Id.* However, the Court had correctly acknowledged earlier in the Order that Mauna Kea sought attorney fees for all work done by counsel, but only as of the date that AntiCancer submitted its infringement claims in response to Mauna Kea’s requests for declaratory judgment. (i.e. Mauna Kea did not seek fees arising from preparation of its Complaint or the jurisdictional motion practice that arose after the Complaint but before AntiCancer answered and counterclaimed.)

The Order also concluded that litigation tasks such as reporting events to the client and discovery tasks were “potentially irrelevant” to the fee award that would arise from the exceptionality finding, such that additional documentation was

required to determine the relevance of these types of litigation activities and to parse out such fees if it was concluded that they were not relevant. (A012).

The Order also concluded that the date AntiCancer indicated it wanted to “withdraw” its infringement counterclaims under the Rule 11 safe harbor provision was a “key date” for purposes of determining the fee award that would arise from the exceptionality finding, such that additional documentation was required to determine what fees arose before and after this date. (A012)

Regarding the timing of submission of the required documentation, the Order was clear that the decision to not award attorney fees was based in part on the conclusion that Mauna Kea was obligated to submit evidentiary support relating to the amount and reasonableness of its fee request concurrently with its Motion for fees. (A013). The Order concluded that “an offer of supplying evidence later does not fulfill the **current** burden of justifying reasonable attorney fees.” (*Id.*, emphasis added). The Order went on to note that, “The Court declines to invite **untimely** record keeping submissions or **belated** explanations for Mauna Kea’s failure to fulfill its **current** burden.” (*Id.*, emphasis added).

Mauna Kea appealed the Order denying attorney fees. AntiCancer did not cross appeal the determination that its patent infringement claims were “exceptional” under 35 U.S.C. § 285.

SUMMARY OF THE ARGUMENT

The District Court legally erred in violation of Fed. R. Civ. P. 54 by requiring the evidentiary support for the amount and reasonableness of fees to have been submitted concurrently with the motion for attorney fees. Rule 54 requires only an identification of the amount sought and provides that evidentiary support for the amount may be submitted later.

The District Court also legally erred in denying all attorney fees on the basis of lack of documentation because lack of documentation is not a permissible reason by which all attorney fees can be denied after finding a case “exceptional” under 35 U.S.C. § 285.

Also, each reason offered by the District Court for requiring additional documentation was a legal error: (1) the District Court misconceived the nature of a declaratory judgment action by requiring documentation to separate hours worked on a request for declaratory judgment of non-infringement and invalidity and hours worked on the compulsory counterclaim for infringement; and (2) the District Court erroneously concluded that Mauna Kea was not entitled to compensation for fees incurred in connection with its invalidity defense and other aspects of litigation such as discovery and client reporting.

ARGUMENT

I. Standard of Review

The standard of review is abuse of discretion. “A district court abuses its discretion in awarding attorney's fees when its decision is based on clearly erroneous findings of fact, an erroneous interpretation of the law, or is clearly unreasonable, arbitrary, or fanciful.” *Glaxo Group Ltd. v. Apotex, Inc.*, 376 F.3d 1339, 1351 (Fed. Cir. 2004).

II. Mauna Kea Was Under No Obligation To Provide Evidentiary Material Bearing On The Amount or Reasonableness of Attorney Fees Concurrently with its Motion

The District Court held that Mauna Kea’s burden to supply sufficient documentation regarding the amount and reasonableness of the fees it sought was “current” with the motion, such that any later submission of such evidence would be “untimely” and “belated.” (A013) This contradicts Federal Rule of Civil Procedure 54(d)(2)(B)(iii), which requires only that a motion for fees “must state the amount sought or provide a fair estimate of it.” The Rule goes on to note that “[t]he court may determine issues of liability for fees before receiving submissions bearing on issues of evaluation of services for which liability is imposed by the court.” Fed. R. Civ. P. 54(d)(2)(C). The Advisory Committee Notes to Rule 54 further explain:

This rule does **not** require that the motion be supported **at the time of filing** with the **evidenciary material bearing on the fees**. This

material must of course be submitted in due course, according to such schedule as the court may direct in light of the circumstances of the case. What is required is the filing of a motion sufficient to alert the adversary and the court that there is a claim for fees, and the amount of such fees (or a fair estimate).

. . .

The court is explicitly authorized to make a determination of the liability for fees before receiving submissions by the parties bearing on the amount of an award. This option may be appropriate in actions in which the liability issue is doubtful and the evaluation issues are numerous and complex.

Fed. R. Civ. P. 54 Advisory Committee Notes 1993 Amendment (emphasis added); *see also Dolby Labs., Inc. v. Lucent Techs., Inc.*, 2006 U.S. Dist. LEXIS 33035 (N.D. Cal. May 15, 2006) (citing to Advisory Committee Notes).

Mauna Kea's motion for attorney fees complied with Rule 54 by stating the amount of attorney fees it sought. Contrary to the District Court's conclusion, there was no "current" obligation to submit with the Motion all the possible evidence that could be marshaled in support of the amount sought in a speculative and premature attempt to determine what specific evidence the court may require after its liability determination. The Rule specifically provides that after a liability determination, the court and the parties can address the amount of liability separately.

Even though it was not required to do so, Mauna Kea did submit evidence regarding the amount it sought. The evidence submitted was tailored specifically

to the assumption that in this particular case Mauna Kea is entitled to all fees arising after AntiCancer asserted its “exceptional” infringement claims in response to Mauna Kea’s request for declaratory judgment, including fees arising from the invalidity assertions, discovery, and all ordinary litigation tasks, and without regard to the declaratory judgment procedural posture (except by limiting the request to fees arising only after AntiCancer responded to the declaratory judgment request by asserting infringement). As detailed below, this assumption was in accordance with the law and the District Court’s conclusions contrary to this assumption were legal error. However, even if the District Court had not erred on all these specific points, it nonetheless erred in not allowing Mauna Kea to address the evidentiary question after the liability question.

III. Insufficient Documentation Is Not A Basis To Refuse Any Attorneys Fees In A Case Found Exceptional Under Section 285

When a court finds a case "exceptional," as it has here, it must then decide whether or not to award attorney fees. Although there are various reasons why a court may choose to not award fees despite an exceptionality finding, lack of documentation is not one of them, and lack of documentation was the only reason offered by the District Court for denying attorney fees.

"[W]here documentation is inadequate, the district court is not relieved of its obligation to award a reasonable fee . . . [A] district court itself has experience in determining what are reasonable hours and reasonable fees, and should rely on

that experience and knowledge if the documentation is considered inadequate."

Slimfold Mfg. Co. Kinkead Indus., 932 F.2d 1453, 1459 (Fed. Cir. 1991) (internal quotations and citations omitted); *see also Wordtech Sys. v. Integrated Network Solutions, Inc.*, 2009 U.S. Dist. LEXIS 31348, *6 (E.D. Cal. Apr. 10, 2009) (noting Ninth Circuit law that places the burden of document production on a fee applicant, but stating that in the context of a Section 285 exceptional finding, the *Slimfold* rule applies "[n]evertheless"). Similarly, in *PPG Indus. v. Celanese Polymer Spec Co.*, 840 F.2d 1565, 1570 (Fed. Cir. 1988), the Federal Circuit found that in a Section 285 context it was an abuse of discretion to refuse any fees for in-house counsel work based on insufficient documentation. *Id.*

The *Slimfold* and *PPG Indus.* holdings conform to other Federal Circuit cases that limit the grounds for denying fees in an exceptional case to reasons that sound in equity and justice (i.e. not documentation-based reasons). *Badalamenti v. Dunham's, Inc.* notes that "after the district court determines that a case is exceptional, there remains in every case its freedom to exercise its discretion informed by the court's familiarity with the matter in litigation and the interest of justice." 896 F.2d 1359, 1365 (Fed. Cir. 1990) (citations omitted). In *Superior Fireplace Co. v. Majestic Prods. Co.*, 270 F.3d 1358, 1378 (Fed. Cir. 2001), the Federal Circuit held that the factors that inform the discretion to award fees after a finding of exceptionality are "factors whereby fee shifting may serve as an

instrument of justice” - “the degree of culpability of the infringer, the closeness of the question, litigation behavior, and any other factors whereby fee shifting may serve as an instrument of justice.” *See also, e.g., S.C. Johnson & Son, Inc. v. Carter-Wallace, Inc.*, 781 F.2d 198, 201 (Fed. Cir. 1986) (referring to the equity-based fee shifting factors by which a court may deny or reduce a Section 285 fee award).

The Order on appeal identifies several reasons why it required additional documentation. No other factors are offered for why fees were denied, and in particular none of the justice-based, equity-type factors identified by the Federal Circuit in *Superior Fireplace* and *S.C. Johnson & Son, Inc.* Had there been sufficient documentation for the District Court to parse the fees as indicated in the Order, there is no suggestion or findings in the Order that the District Court would not have awarded attorney fees.

IV. Mauna Kea Should Be Awarded All Attorney Fees Arising After AntiCancer Asserted Its “Exceptional” Infringement Claims

The principal reason given by the District Court for its refusal to grant fees to Mauna Kea notwithstanding an unchallenged determination that the action was exceptional was that Mauna Kea’s fee request included all work done by counsel after Anti-Cancer asserted infringement in response to Mauna Kea’s request for declaratory judgment. Specifically, the District Court identified several reasons why certain activities after AntiCancer’s assertion of infringement may not be

compensable. Each such reason constitutes legal error and therefore an abuse of discretion.

A. The Declaratory Judgment Posture Does Not Require Parsing Fees Arising From The Declaratory Judgment Requests From Those Arising From The Compulsory Counterclaim

A primary reason the District Court denied attorney's fees is because the billing documents submitted by Mauna Kea "fail to distinguish between the hours incurred for work done on the counterclaims and hours incurred as a result of Mauna Kea's noninfringement or invalidity claims under its Complaint for Declaratory Judgment." (A011.) This misapprehends the nature of a declaratory judgment action.

A declaratory judgment is a remedy, not a claim. The statute that provides for the issuance of declaratory judgments is entitled "Creation of remedy." 28 U.S.C. § 2201. The Supreme Court has long held that the Declaratory Judgment Act is procedural only and does not affect the substantive rights of the parties. *See Beacon Theatres, Inc. v. Westover*, 359 U.S. 500, 508-09 (1959); *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 671-72 (1950). In *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 134 S. Ct. 843, 845 (U.S. 2014), the Supreme Court recently reiterated that “the operation of the Declaratory Judgment Act is only procedural leaving substantive rights unchanged” and applied this principle to hold that the declaratory judgment procedural posture does

not shift the any burden of proof from a patentee to a licensee during an infringement contest. *Id.* (quotations and citations removed).

Mauna Kea’s “claim” for declaratory judgment of non-infringement and invalidity and AntiCancer’s “counterclaim” for infringement are not independent “claims”. Because the declaratory judgment statute is procedural only, and because it does not independently create jurisdiction, it was necessary for AntiCancer to assert infringement for this case to go forward. This case would have simply ended had AntiCancer not asserted infringement. Declaratory judgment is a procedural posture that allows Mauna Kea to seek a remedy, but only where there is an actual case or controversy, i.e. only where AntiCancer asserts infringement in response. Contrary to the District Court’s conclusions, the declaratory judgment procedural posture does not itself create a distinction between the work performed on Mauna Kea’s request for declaratory judgment and on AntiCancer’s claim for infringement.

Moreover, the District Court’s refusal to grant fees is inconsistent with the allowance of fees made by the Supreme Court in the recent case of *Highmark, Inc. v. Allcare Health & Management System, Inc.*, 134 S. Ct. 1744 (U.S. 2014). The procedural posture of *Highmark* is the same as in this case. Highmark sued All-Care for a declaratory judgment of non-infringement and invalidity of All-Care’s patents after receiving licensing demands. *Id.* at 1747. All-Care counter-claimed

for patent infringement (*Id.*), which is a compulsory counterclaim such that no case or controversy would have been established for purposes of proceeding with the case had there not been an assertion of infringement (*Holmes Group, Inc. v. Vornado Air Circulation Sys.*, 535 U.S. 826, 828 (U.S. 2002)). After summary judgment motions, the district court found that All-Care’s infringement claims were “exceptional” under Section 285 and awarded Highmark its attorney fees. *Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc.*, 2010 U.S. Dist. LEXIS 31797 (N.D. Tex. Mar. 31, 2010) and *Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc.*, 2010 U.S. Dist. LEXIS 118388 (N.D. Tex. Nov. 5, 2010). The district court did not attempt to parse out the time spent on the claim for declaratory judgment and the time spent on the compulsory counter-claim of infringement, nor was there any contention that this would be appropriate. *Id.* On appeal, the Federal Circuit addressed only the exceptional case finding, applying a *de novo* standard. *Highmark, Inc. v. Allcare Health Mgmt. Sys.*, 687 F.3d 1300 (Fed. Cir. 2012)). The Supreme Court remanded, holding that all portions of a Section 285 determination should be reviewed for abuse of discretion. 134 S. Ct. 1749.

As is apparent, the parties in the *Highmark* case, and each of the courts involved in the case, including the Supreme Court, addressed an award of fees in the context of a declaratory judgment without distinction between mirror image

and mandatory infringement counter-claims and claims in a complaint for declaratory judgment.

In the instant appeal, the District Court’s opinion held that because it could not assess the reasonableness of the hours spent solely on defending the counterclaims (as opposed to time spent on prosecuting the requests for declaratory judgment) the award of any fees for the entire action would require speculation. This is plainly inconsistent with the procedural nature of the Declaratory Judgment Act and the Supreme Court’s implicit assumption in *Highmark* that the declaratory judgment posture does not require parsing fees for mirror image counterclaims in an award in an exceptional case under Section 285.

B. Costs Arising from Mauna Kea’s Invalidity Defense, As Well As All Ordinary Litigation Activities That Were Necessary To Address AntiCancer’s Infringement Claims, Are Compensable

The purpose of Section 285 is not to punish the losing party, but is instead to compensate the prevailing party for fees it should not have been required to expend. Federal Circuit has repeatedly held that a prevailing party in an “exceptional” case under Section 285 should recover the costs it incurred in the “prosecution or defense” of the case:

The purpose of § 285 is, in a proper case and in the discretion of the trial judge, to compensate the prevailing party for its monetary outlays in the prosecution **or defense** of the suit. *Codex Corp. v. Milgo Electronic Corp.*, 541 F. Supp. 1198, 1201, 217 USPQ 878, 879 (D. Mass. 1982) (“The compensatory purpose of § 285 is best served if the prevailing party is allowed to recover his reasonable expenses in

prosecuting the entire action.") **We interpret attorney fees to include those sums that the prevailing party incurs in the preparation for and performance of legal services related to the suit.**

Central Soya Co. v. Geo. A. Hormel & Co., 723 F.2d 1573, 1578 (Fed. Cir. 1983) (emphasis added); *see also Kilopass Tech., Inc. v. Sidense Corp.*, 738 F.3d 1302, 1313 (Fed. Cir. 2013) (“it is clear that the aim of § 285 is to compensate a defendant for attorneys' fees it should not have been forced to incur”); *Highmark, Inc. v. Allcare Health Mgmt. Sys.*, 687 F.3d 1300, 1310, fn.1 (Fed. Cir. 2012) (“The purpose of section 285, unlike that of Rule 11, is not to control the local bar's litigation practices—which the district court is better positioned to observe—but is remedial and for the purpose of compensating the prevailing party for the costs it incurred in the prosecution or defense of a case where it would be grossly unjust, based on the baselessness of the suit or because of litigation or Patent Office misconduct, to require it to bear its own costs.”); *Junker v. Eddings*, 396 F.3d 1359, 1365 (Fed. Cir. 2005) (in the Section 285 award context “attorney fees ...include those sums that the prevailing party incurs in the preparation for and performance of legal services related to the suit”); *Brasseler, U.S.A. I., L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 1386 (Fed. Cir. 2001); *Automated Bus. Cos. v. NEC Am., Inc.*, 202 F.3d 1353, 1355 (Fed. Cir. 2000); and *Mathis v. Spears*, 857 F.2d 749, 756 (Fed. Cir. 1988).

In *Brasseler*, the accused infringer asserted various defenses against infringement claims that were found to be “exceptional” under Section 285. The patentee argued that the accused infringer should not recover fees arising from the assertion of its infringement defenses. *Brasseler* at 1386. The Federal Circuit rejected the argument, holding that the accused infringer,

would not have incurred any of the fees generated in defense of [the] suit had [the patentee] not committed inequitable conduct in pursuit of its patent and had it not filed a claim for infringement of that patent, known by [the patentee] to have been improperly obtained. Thus, [the patentee] should be charged with the expenses of defending this frivolous suit. Furthermore, the district court's failure to reach the remaining defenses raised by [the accused infringer], because they were mooted by its inequitable conduct finding, cannot be a basis for denying fees relating to those defenses.

Id.

In *Mathis v. Spears*, the Federal Circuit emphasized that, “The purpose of Section 285 is to reimburse a *party* injured when forced to undergo an ‘exceptional’ case” and that, “The injured party is to be placed, as near as may be, in the situation he would have occupied if the wrong had not been committed.” 857 F.2d 749, 756 (Fed. Cir. 1988) (emphasis in original) (citations removed) (quoting *Albemarle Paper Co. v. Moody*, 422 U.S. 405 (1975)). Regarding compensation for defenses asserted against “exceptional” infringement claims, *Mathis* held, “When a prevailing party ‘has obtained excellent results, his attorney should recover a fully compensatory fee. . . . Litigants in good faith may raise

alternative legal grounds for a desired outcome, and ‘the court's rejection of or *failure to reach certain grounds* is not a sufficient reason for reducing a fee. The result is what matters.’” *Id.* (citing *Hensley v. Eckerhart*, 461 U.S. 424 (U.S. 1983)²).

The Order on appeal also refers to litigation activities such as discovery document review and preparation and reporting hearings to the client as “potentially irrelevant.” (A012)

The Order on appeal also notes that AntiCancer moved to “dismiss” its counterclaim on May 30, 2013 and that Mauna Kea is seeking its attorney’s fees for both May and June 2013. The Court’s Order refers to this date as a “key date” and implies that Mauna Kea would not be entitled to any fees after this date. (A012). The date in question is the date that AntiCancer first indicated that it wanted to “withdraw” its unreasonable counterclaims pursuant to the safe harbor of Rule 11. Unilateral “withdrawal” is not possible and actual resolution of the case did not arise until the parties negotiated and settled upon the language of a dismissal order (which required a hearing and guidance from the District Court).

² *Mathis* recites an expanded version of this same quote from *Hensley v. Eckerhart* later in the opinion: “Where, as here, a prevailing party ‘has obtained excellent results, his attorney should recover a fully compensatory fee. **Normally this will encompass all hours reasonably expended on the litigation.** . . .” *Mathis* at 755 (emphasis added).

Expenses arising from Mauna Kea's invalidity defense, as well as from all other of Mauna Kea's litigation activities after AntiCancer asserted its unreasonable infringement claims, including discovery, client reporting, and negotiating a joint dismissal order, would not have been incurred absent AntiCancer's assertion of unreasonable infringement claims. The only issues in this case were the infringement and validity of the patents asserted by AntiCancer; there could not have been, and were not, any litigation activities that were not directly resulting from AntiCancer's assertion of "exceptional" infringement claims. In light of this and the case law cited above, the Order on appeal legally erred in concluding that fees arising from Mauna Kea's defense of patent invalidity and other routine litigation activities were not compensable upon a finding that AntiCancer's infringement claims were "exceptional" under Section 285.

CONCLUSION

The District Court abused its discretion by requiring the evidentiary material bearing on the amount and reasonableness of the fees to be submitted at the time of filing of the motion. The District Court further and separately abused its discretion by refusing any attorney fees based solely on the conclusion that there was insufficient documentation. The District Court further and separately abused its discretion by misapprehending the nature of a declaratory judgment action and concluding that declaratory judgment requests and compulsory counterclaims are

separate claims for purposes of calculating a fee award and that work on such claims must be parsed. The District Court further and separately abused its discretion by failing to award fees arising from litigation activities that would not have been performed absent AntiCancer's assertion of exceptional infringement claims, including particularly but without limitation, the assertion of Mauna Kea's defenses, discovery activities, reporting activities, and the negotiation of dismissal.

Mauna Kea is entitled to all fees arising after AntiCancer asserted its exceptional infringement claims. Based on this conclusion, the record on appeal includes documentation necessary to perform a review of the reasonableness of the requested fee amount. (A064-080). In accordance with the Federal Circuit's adoption of the Supreme Court's statement in *Hensley v. Eckerhart*, 461 U.S. 424 (1983), that "an attorney fees determination should not result in a second major litigation," Mauna Kea requests an Order from this Court that it is entitled to the full fee amount it requested from the District Court. *Slimfold Mfg. Co., Inc.*, 932 F.2d at 1459 (quoting *Hensley*, 461 U.S. at 437).

Respectfully submitted,

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CERTIFICATE OF FILING AND SERVICE

I hereby certify that, on this the 16th day of June, 2014, I electronically filed this Brief of Appellant with Joint Appendix with the Clerk of Court using the CM/ECF System, which will send notice of such filing to the following registered users:

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I further certify that, upon acceptance and request from the Court, the required paper copies of the foregoing will be deposited with United Parcel Service for delivery to the Clerk, UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, 717 Madison Place, N.W., Washington, D.C. 20439.

The necessary filing and service were performed in accordance with the instructions given to me by counsel in this case.

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In The
United States Court Of Appeals
For The Federal Circuit

MAUNA KEA TECHNOLOGIES,
Plaintiff – Appellant,

v.

ANTICANCER, INC.,
Defendant – Appellee.

Appeal from the United States District Court for the
Southern District of California in case no. 3:11-cv-01407-CAB-JMA,
Judge Cathy Ann Bencivengo.

JOINT APPENDIX

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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10 Mauna Kea Technologies,

11 Plaintiffs,

12 vs.

13 AntiCancer, Inc.,

14 Defendants.
15

CASE NO. 11-cv-1407-CAB-JMA

**ORDER DENYING MAUNA KEA
TECHNOLOGIES' MOTION FOR
ATTORNEY FEES UNDER 35
U.S.C. § 285**

[Doc. No. 62]

16 Before the Court is Mauna Kea Technologies' ("Mauna Kea") motion for
17 attorney fees under 35 U.S.C. § 285 against AntiCancer, Inc. ("AntiCancer") for
18 assertion of allegedly baseless counterclaims. [Doc. Nos. 62, 65.] Mauna Kea alleges
19 that AntiCancer knew or should have known that AntiCancer's asserted contributory
20 infringement, indirect infringement, and direct infringement counterclaims were
21 baseless because AntiCancer did not demonstrate direct infringement, as required for
22 direct, induced, and contributory infringement. [Doc. No. 62-1.] AntiCancer's
23 infringement counterclaims are based on U.S. Patent Nos. 6,649,159; 6,759,038; and
24 6,251,384 and are directed to methods for monitoring specific biological processes.
25 [Doc. No. 62-1.]

26 **I. Legal Standard**

27 The patent statute authorizes courts in exceptional cases to award reasonable
28 attorney fees to the prevailing party. 35 U.S.C. § 285. The Federal Circuit describes

1 the process for assessing the existence of an exceptional case as follows:

2 The determination of whether a case is exceptional and, thus, eligible for
3 and warranting an award of attorney fees under § 285 is a two-step
4 process in which the district court must (1) determine whether there is
5 clear and convincing evidence that a case is exceptional . . . and (2) if so,
6 then determine in its discretion whether an award of attorney fees is
7 justified . . .

8 *Digeo, Inc. v. Audible, Inc.*, 505 F.3d 1362, 1366-67 (Fed. Cir. 2007) (quoting *Cybor*
9 *Corp. v. FAS Techs.*, 138 F.3d 1448, 1460 (Fed. Cir. 1998) (en banc)).

10 **A. Prevailing Party**

11 The Federal Circuit has adopted the *Buckhannon* requirements for determining
12 the “prevailing party” for the purposes of 35 U.S.C. § 285. *Highway Equip. Co., Inc.*
13 *v. FECO, Ltd.*, 469 F.3d 1027, 1033-34 (Fed. Cir. 2006) (citing *Indep. Fed’n of Flight*
14 *Attendants v. Zipes*, 491 U.S. 754, 759 n.2 (1989)). *Buckhannon* concludes that the
15 term “prevailing party” requires a “judicially sanctioned change in the legal
16 relationship of the parties,” either through a judgment on the merits or through a
17 settlement agreement enforced through a consent decree. *See Buckhannon Bd. and*
18 *Care Home, Inc. v. W. Va. Dep’t of Health and Human Res.*, 532 U.S. 598, 604-05
19 (2001). “The dismissal of a claim with prejudice . . . is a judgment on the merits under
20 the law of the Federal Circuit.” *Power Mosfet Techs., L.L.C. v. Siemens AG*, 378 F.3d
21 1396, 1416 (Fed. Cir. 2004). A party, “which had all claims against it dismissed with
22 prejudice, is . . . [the] prevailing party.” *Id.*

23 **B. Exceptional Case Under 35 U.S.C. § 285**

24 “A number of different circumstances may support the finding of an exceptional
25 case, including ‘vexatious or unjustified litigation’ or ‘frivolous suit,’ of which there
26 must be clear and convincing evidence.” *Takeda Chem. Indus., Ltd. v. Mylan Labs.,*
27 *Inc.*, 549 F.3d 1381, 1387 (Fed. Cir. 2008) (quoting *Beckman Instrs. Inc. v. LKB*
28 *Produkter AB*, 892 F.2d 1547, 1551 (Fed. Cir. 1989). “The filing and maintaining of
an infringement suit which the patentee knows, or on reasonable investigation should
know, is baseless constitutes grounds for declaring a case exceptional under 35 U.S.C.
§ 285 and awarding costs, attorney fees, and expenses to the accused infringer.” *Eltech*

1 *Sys. Corp. v. PPG Indus., Inc.*, 903 F.2d 805, 810 (Fed. Cir. 1990) (quoting *Eltech Sys.*
2 *Corp. v. PPG Indus., Inc.*, 710 F. Supp. 622, 636 (W.D. La. 1988) aff'd in part, 903
3 F.2d 805 (Fed. Cir. 1990)). “Where . . . the patentee is manifestly unreasonable in
4 assessing infringement, while continuing to assert infringement in court, an inference
5 is proper of bad faith.” *Eltech*, 903 F.2d at 811. Courts consider a “totality of the
6 circumstances” to determine whether a case is exceptional. *Yamanouchi Pharm. Co.,*
7 *Ltd. v. Danbury Pharmacal, Inc.*, 231 F.3d 1339, 1347 (Fed. Cir. 2000).

8 **C. Awarding Reasonable Attorney Fees and Expenses**

9 If a case is found “exceptional” under 35 U.S.C. § 285, the decision to award
10 attorney fees is “within the discretion of the trial judge.” *Takeda*, 549 F.3d at 1385.
11 “The methodology of assessing a reasonable award under 35 U.S.C. § 285 is [also]
12 within the discretion of the district court.” *Automated Bus. Cos. v. NEC Am., Inc.*,
13 202 F.3d 1353, 1355 (Fed. Cir. 2000). “The purpose of § 285 is, in a proper case
14 and in the discretion of the trial judge, to compensate the prevailing party for its
15 monetary outlays in the prosecution or defense of the suit.” *Cent. Soya Co., Inc. v.*
16 *Geo. A. Hormel & Co.*, 723 F.2d 1573, 1578 (Fed. Cir. 1983) (citing *Codex Corp. v.*
17 *Milgo Electronic Corp.*, 541 F.Supp. 1198, 1201 (D. Mass. 1982)). Where a
18 plaintiff prevails on only one of several claims, the fact that “the plaintiff is a
19 ‘prevailing party’ . . . may say little about whether the expenditure of counsel’s time
20 was reasonable in relation to the success achieved.” *Hensley v. Eckerhart*, 461 U.S.
21 424, 436 (1983). “The burden of presenting the appropriate fee documentation rests
22 squarely on the shoulders of the attorneys seeking the award.” *In re Wash. Pub.*
23 *Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1306 (9th Cir. 1994). It is the
24 applicant’s responsibility to maintain “records in a manner that will enable a
25 reviewing court to identify distinct claims.” *Hensley*, 461 U.S. at 437.

26 **II. Analysis for Attorney Fees under 35 U.S.C. § 285**

27 **A. Prevailing Party**

28 Defendant AntiCancer contends that because the Court dismissed Mauna

1 Kea's invalidity claims (without prejudice), AntiCancer prevails on the issue of
2 validity, precluding Mauna Kea as the "truly the prevailing party." [Doc. No. 64 at
3 16.¹] This is not an accurate characterization of the law. The law requires a
4 "judicially sanctioned change in the legal relationship of the parties," either through
5 a judgment on the merits or through a settlement agreement enforced through a
6 consent decree. *See Buckhannon*, 532 U.S. at 604-05. Because "dismissal of a
7 claim with prejudice . . . is a judgment on the merits," the party, "which had all
8 claims against it dismissed with prejudice, is . . . [the] prevailing party." *Power*
9 *Mosfet Techs.*, 378 F.3d at 1416.

10 On July 29, 2013, the Court granted a *joint* motion (1) dismissing Mauna
11 Kea's invalidity claims, without prejudice; (2) granting Mauna Kea declaratory non-
12 infringement of U.S. Patent Nos. 6,232,523; 6,235,968; 6,251,384; 6,649,159;
13 6,759,038; and 6,905,831; and (3) dismissing AntiCancer's counterclaims, *with*
14 *prejudice*. [Doc. No. 61.] In the final disposition, while AntiCancer had some
15 claims against it dismissed *without prejudice*, Mauna Kea was granted declaratory
16 non-infringement and had all claims against it dismissed *with prejudice*. Therefore,
17 Mauna Kea is the "prevailing party" for purposes of this suit.

18 **B. Exceptional Case under 35 U.S.C. § 285**

19 In awarding attorney fees, the district court must determine whether the
20 prevailing party has proved the case is "exceptional" by clear and convincing
21 evidence. *Digeo, Inc. v. Audible, Inc.*, 505 F.3d 1362, 1366-67 (Fed. Cir. 2007).
22 "Where. . . the patentee is manifestly unreasonable in assessing infringement, while
23 continuing to assert infringement in court, an inference is proper of bad faith."
24 *Eltech*, 903 F.2d at 811.

25 Here, AntiCancer brought contributory infringement, indirect infringement,
26 and direct infringement counterclaims against Mauna Kea, based on three of
27

28 ¹Pinpoint citations to documents utilize the page numbers assigned by CM/ECF.

AntiCancer's patents (the '038, '384, and '159 patents). Both contributory and indirect infringement require direct infringement as an element. Therefore, if there is no direct infringement, all of AntiCancer's counterclaims fall. Further, if the direct infringement claims brought were "manifestly unreasonable," warranting an inference of bad faith, Mauna Kea meets its burden in proving the case is "exceptional" by clear and convincing evidence.

Under direct patent infringement, the accused infringer, or an agent acting under the accused infringer's direction or control, must perform all the steps of the claimed method to infringe the patent. 35 U.S.C. § 271(a); *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282, 1318 (Fed. Cir. 2005) (quoting *Roberts Dairy Co. v. United States*, 530 F.2d 1342, 1354 (1976)). "Direct infringement has not been extended to cases in which multiple independent parties perform the steps of the method claim." *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1307 (Fed. Cir. 2012) (en banc), *cert. granted*, 81 U.S.L.W. 3395 (U.S. Jan. 10, 2014) (No. 12-786). "For that reason, this court has rejected claims of liability for direct infringement of method claims in cases in which several parties have collectively committed the acts necessary to constitute direct infringement, but no single party has committed all of the required acts." *Id.*

1. Third Party Direct Infringement

a. The '038 and '384 Patents

AntiCancer's preliminary infringement contentions identify three instances of alleged third party direct infringement. [Doc. No. 62-2 at 44-104.] First, AntiCancer claims the International Patent Application Publication WO 2010/059233 ("the '233 Application Publication") infringes AntiCancer's '038 and '384 patents. [Doc. No 62-2 at 44-76, and 169-96.] Anti-Cancer's '038 and '384 patents are directed to "a method to evaluate a candidate protocol or drug for the inhibition of metastasis of a primary tumor." [Doc. No 62-2 at 44, 59.] The plain and ordinary meaning of "metastasis," as well as both parties' proposed claim

1 constructions of the term, require the growth of secondary tumors at a site different
2 from the primary tumor. [Doc. No. 35 at 1, 6.] The ‘233 Application Publication,
3 however, does not describe evaluating metastasis of a primary tumor, but only the
4 changes associated with a primary tumor. [Doc. No 62-2 at 169-96.] Therefore, the
5 ‘233 Application Publication does not directly infringe either the ‘038 or the ‘384
6 patents.

7 **b. The ‘159 Patent**

8 For the second and third instances of alleged third party direct infringement,
9 AntiCancer points to two academic articles as infringing AntiCancer’s ‘159 patent:
10 “The longest telomeres: a general signature of adult stem cell compartments” (“the
11 Telomere Article”), and “Novel, Injectable, Exogenously Regulated, Engineered
12 Stem Cell-Based System For Anterior Spinal Fusion” (“the Stem-Cell Article”).
13 [Doc. No. 62-2 at 77-104; 197-210; 211-12.]

14 AntiCancer’s ‘159 patent relates to “the whole-body external optical imaging
15 of gene expression.” [Doc. No. 62-2 at 5, col. 1, ll. 11-12.] For the purposes of the
16 instant action, Claim 1 of the ‘159 patent recites “[a] method to monitor the ability
17 of a promoter to promote expression in an animal of an endogenous gene that is
18 controlled by said promoter.” [Doc. No. 62-2 at 16, col. 24, ll. 44-46.] The parties’
19 agreed claim construction requires the GFP gene to be operatively linked to a
20 promoter of an endogenous gene, so that the endogenous promoter controls the
21 expression of the GFP protein. [Doc. No. 35 at 2.] Further, AntiCancer’s proposed
22 construction of Claim 1’s “promoter of said endogenous gene” limitation
23 specifically excludes artificially employed promoters, such as a viral promoter. *Id.*

24 AntiCancer alleges the Stem-Cell Article directly infringes the ‘159 patent
25 because “engineered MSCs [mesenchymal stem cells] were also infected with
26 *retroviruses* encoding for the luciferase or green fluorescent protein (GFP) marker
27 gene.” [Doc. No. 62-2 at 211] (emphasis added). The Stem-Cell Article does not
28 directly infringe AntiCancer’s ‘159 patent, under AntiCancer’s own proposed

1 construction, because the Stem-Cell Article uses a *retrovirus* promoter, not a
2 “promoter. . . endogenous to the animal.” [Doc. No. 35 at 2.]

3 AntiCancer cites the Telomere Article as evidence of direct infringement of
4 the ‘159 patent. [Doc. No. 62-2 at 78.] AntiCancer ignores case law governing the
5 territorial limits of direct infringement. Direct infringement of a method claim
6 requires that “each. . . step[] of the method is performed within this country.”
7 *Research In Motion*, 418 F.3d at 1318 (citing 35 U.S.C. § 271(a)). Further, 35
8 U.S.C. § 271(f), the statute providing for foreign third party direct infringement,
9 does not apply to method or process patents. *Cardiac Pacemakers, Inc. v. St. Jude*
10 *Med., Inc.*, 576 F.3d 1348, 1364 (Fed. Cir. 2009).

11 The Telomere Article was authored by five researchers from Spain and one
12 researcher from the United States, and identifies the location of animal care and
13 imaging as occurring in Spain. [Doc. No. 62-2 at 197, 209.] The Telomere Article
14 does not directly infringe AntiCancer’s ‘159 patent, as the foreign location of the
15 animal imaging precludes demonstrating that each step of the method was
16 performed in this country.

17 Although the three references AntiCancer points to as evidence of direct
18 infringement do not actually demonstrate direct infringement of AntiCancer’s
19 asserted patents, AntiCancer argues that “discovery might have filled in the gaps.”
20 [Doc. No 64 at 21.] AntiCancer argues that its preliminary infringement
21 contentions (“PICs”) may be more or less accurate depending on the final form of
22 the Court’s claim construction. *Id.* AntiCancer does not address why its voluntary
23 dismissal of the case before the Court issued its claim construction order unfairly
24 disadvantaged AntiCancer. Further, this argument overlooks the fact that
25 AntiCancer’s claims for third party direct infringement fail, even if the Court gives
26 AntiCancer the benefit of its own proposed claim constructions, for the purposes of
27 this motion. Therefore, AntiCancer could not have availed itself to Patent Local
28 Rule 3.6 (amending PICs if warranted by the Court’s claim construction) as

1 claimed. [See Doc. No. 64 at 21.]

2 Additionally, AntiCancer maintains that discovery could have produced
3 evidence to support its PICs (alleging that third party infringement could have
4 occurred if scientists were to “import some of the mice they studied into the United
5 States,” or that “scientists *might* have done similar experiments,” or that “steps
6 *might* have been performed without the need for explicit documentation”). [Doc.
7 No. 64 at 22 (emphasis added.)] In doing so, AntiCancer “incorrectly seems to
8 assume that the discovery rules are designed solely to enable a claimant to develop
9 information to support its claim.” *O2 Micro Int’l Ltd. v. Monolithic Power Sys.,*
10 *Inc.*, 467 F.3d 1355, 1365 (Fed. Cir. 2006). “In bringing a claim of infringement,
11 the patent holder, if challenged, must be prepared to demonstrate to both the court
12 and the alleged infringer exactly why it believed *before filing the claim that it had a*
13 *reasonable chance of proving infringement.*” *View Eng’g, Inc. v. Robotic Vision*
14 *Sys., Inc.*, 208 F.3d 981, 986 (Fed. Cir. 2000) (emphasis added). On the evidence
15 submitted to the Court, AntiCancer has not demonstrated that it had a reasonable
16 chance of proving infringement. Further, arguing far-fetched instances of possible
17 alleged infringement that would not qualify for third party direct infringement, for
18 the reasons indicated above, also fail to persuade the Court that AntiCancer had a
19 reasonable chance of proving infringement.

20 In arguing that discovery would have uncovered instances of direct
21 infringement, AntiCancer suggests Mauna Kea withheld documents that might
22 reveal third party direct infringement. [Doc. No. 64 at 23.] AntiCancer, however,
23 does not articulate why they believe Mauna Kea, an international commercial
24 microscope retailer, would have possession or control over document or deposition
25 evidence of specific experiments performed by unaffiliated, academic, third party
26 researchers. If AntiCancer had a good faith basis that discovery would reveal
27 evidence of direct infringement necessary to prove its infringement counterclaims,
28 AntiCancer could have continued with the litigation, for example by submitting a

1 motion to compel Mauna Kea to comply with discovery. Instead, AntiCancer joined
2 in the submission of the Joint Motion to Dismiss AntiCancer's Counterclaims with
3 Prejudice. [Doc. No. 60.]

4 In sum, neither the Stem Cell Article nor the Telomere Article directly
5 infringe the '159 patent. Additionally, AntiCancer did not demonstrate it had a
6 reasonable chance of proving infringement before filing its counterclaims.
7 Therefore, because AntiCancer's counterclaims for third party direct infringement
8 are objectively baseless, Mauna Kea has met its burden of proving by clear and
9 convincing evidence that the case is "exceptional" under 35 U.S.C. § 285.

10 **2. Direct Infringement by Mauna Kea**

11 AntiCancer's infringement contentions also allege Mauna Kea directly
12 infringed the '038, '384, and '159 patents by "using the CellVizio device to perform
13 one or more of the claimed methods" in the United States without AntiCancer's
14 authorization. [Doc. No 15 at 7, 8, and 10.] AntiCancer relies on a Mauna Kea
15 brochure, [Doc. No. 64-2 at 4-5], as evidence that Mauna Kea "proudly advertises
16 two infringing uses of its device – whole-body GFP imaging through the anus of a
17 mouse and on the surface of the eye of a mouse." [Doc. No. 64 at 24.] While the
18 brochure does advertise fluorescence optical imaging on living animals, and
19 compatibility with GFP transgenic animals, AntiCancer unreasonably misinterprets
20 the breadth of its asserted patents. [Doc. No. 64-2 at 4-5.] The '038 and '384
21 patents are directed to "a method to evaluate a candidate protocol or drug for the
22 inhibition of metastasis of a primary tumor." [Doc. No. 35 at 6 and 11.] The '159
23 patent is "[a] method to monitor the ability of a promoter to promote expression in
24 an animal of an endogenous gene that is controlled by said promoter." *Id.* at 1. The
25 scope of these patents is narrower than "whole-body GFP imaging," and the
26 brochure fails to suggest the claimed methods. [Doc. No. 64-2 at 4-5.] Therefore,
27 Mauna Kea's brochure does not "proudly advertise[] two infringing uses," and
28 without more, AntiCancer's counterclaims of direct infringement by Mauna Kea do

1 not have a reasonable expectation of success.

2 AntiCancer again suggests Mauna Kea may possess evidence of
3 infringement, and that Mauna Kea withheld this information during discovery.
4 [Doc. No. 64 at 23.] Again, if AntiCancer had a good faith basis for this assertion,
5 beyond the speculation asserted in its opposition papers, the appropriate action
6 would have been, for example, to submit a motion to compel discovery. [Doc. No.
7 60.]

8 Therefore, since Mauna Kea's promotional literature does not directly
9 infringe the '159, '038, or '384 patents by teaching every step of the claimed
10 methodologies, AntiCancer's counterclaims for direct infringement are objectively
11 baseless. As a result, Mauna Kea has met its burden of proving by clear and
12 convincing evidence that the case is "exceptional" under 35 U.S.C. § 285.

13 Evidence of direct infringement or third party direct infringement is required
14 to demonstrate a claim for contributory or induced infringement. 35 U.S.C. § 271
15 (b), (c). Because AntiCancer's asserted claims of direct infringement and third
16 party direct infringement are "manifestly unreasonable," AntiCancer's contributory
17 and induced infringement claims necessarily fail. For this reason, Mauna Kea
18 prevails on all AntiCancer's counterclaims in demonstrating by clear and
19 convincing evidence that this case is "exceptional" under 35 U.S.C. § 285.

20 The Court notes that the outcomes of AntiCancer's previous litigation should
21 have put AntiCancer on notice that the Court requires PICs to sufficiently set forth a
22 theory of allegedly infringing conduct. [See Doc. No. 62-1 at 28-30, citing
23 *AntiCancer v. Carestream Health, Inc.*, No. 07-cv-01004 (S.D. Cal. May 14, 2008),
24 ECF No. 49.; *AntiCancer, Inc. v. Cambridge Research & Instrumentation*, No. 07-
25 cv-00097 (S.D. Cal. Feb. 13, 2009), ECF No. 214; *AntiCancer Inc. v. Pfizer et al.*,
26 No. 11-cv-00107 (S.D. Cal. June 1, 2012), ECF No. 63.]

27 **C. Award of Attorney Fees and Expenses**

28 If a case is found "exceptional" under 35 U.S.C. § 285, the decision to award

1 attorney fees is “within the discretion of the trial judge . . .” *Takeda*, 549 F.3d at
2 1385. As the fee applicant, Mauna Kea bears the initial burden of substantiating the
3 hours worked and the rate claimed. *Hensley*, 461 U.S. at 437. To establish the
4 hours worked by each attorney at a firm, the fee applicant must provide a fully
5 detailed itemization of the date, hours, and nature of the work performed. *See In re*
6 *Wash. Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d at 1305-06.

7 The Court concludes that Mauna Kea has not met its burden of substantiating
8 the hours worked here. The materials Mauna Kea submitted in justification for
9 attorney fees appear to include all work done by counsel after AntiCancer submitted
10 its counterclaims. The materials fail to distinguish between the hours incurred for
11 work done on the counterclaims and hours incurred as a result of Mauna Kea’s
12 noninfringement or invalidity claims under its Complaint for Declaratory Judgment.

13 The primary document Mauna Kea submits for justification of attorney fees is
14 a one-page spreadsheet, listing: (1) the invoice number for the *monthly* service
15 period, (2) the *monthly* service period, (3) the attorneys, (4) each attorney’s rate,
16 (5) the total number of hours that each attorney worked during that *monthly* service
17 period, and (6) the total amount of fees per month, based on each attorney’s hours
18 and billing rate. [Doc. No 62-4 at 8.] This spreadsheet is accompanied by a two-
19 page invoice summary document. The invoice summary document sets forth a one
20 paragraph written description summarizing the services performed for each monthly
21 or bi-monthly invoice number. The descriptions are not broken down by attorney,
22 day, task, service category, or hours spent per task or per service category. [See
23 Doc. No. 62-4 at 9-10.]

24 Sufficient information should have been provided so as to allow both
25 AntiCancer and the Court to identify the hours and assess the reasonableness of the
26 hours worked in defending the counterclaims. Again, the documents submitted do
27 not reflect who did what work, the date on which the work was performed, or the
28 amount of time billed to any particular task or issue on any particular day. As such,

1 the Court has no way of assessing the reasonableness of the hours worked or which
2 hours were spent on defending the counterclaims. As such, an award of attorney
3 fees in this case would require speculation.

4 Take invoice number “13I031,” for example, which provides a one paragraph
5 description of the attorney services provided for the *two* months of May and June
6 2013. [Doc. No. 62-4 at 8-10.] The hours summary spreadsheet claims 39.7 hours
7 worked for a total of \$17,781 for the month of May and 19.9 hours worked for a
8 total of \$8,005.50 for the month of June. [Doc. No. 62-4 at 8.] The invoice
9 summary listing all the activities performed during this two month service period
10 lumps together both relevant counterclaim-related entries (“finalize and serve Rule
11 11 motion”) and potentially irrelevant entries (“report hearing to MKT” and
12 “discovery document review and preparation”). [Doc. No. 62-4 at 10.] There is no
13 information as to which attorney listed on the hours summary spreadsheet, [Doc.
14 No. 62-4 at 8], performed which tasks and for how long. Further, AntiCancer
15 moved to dismiss its counterclaims on May 30, 2013. [Doc. No. 55-1.] Yet, due to
16 the insufficiency of the materials submitted (*i.e.*, a one paragraph description for a
17 two month time period), the Court cannot assess the reasonableness of work
18 performed before and after this key date. [See Doc. No. 62-4 at 8.]

19 As another example, invoice number “12I014” (corresponding to March
20 2012) claims 16.5 hours worked for a total of \$5,190, with the very broad
21 description of “attention to invalidity contentions; prior art search; further
22 prosecution file search and review re invalidity contentions; correspondence with
23 MKT regarding the above.” [Doc. No. 62-4 at 8-9.] Mauna Kea sought a
24 determination of invalidity of AntiCancer’s patents in its Complaint for Declaratory
25 Judgment, before AntiCancer asserted any counterclaims. These fees are not related
26 to defending the “exceptional case” of AntiCancer’s counterclaims, and are
27 therefore inappropriate to include in an award of attorney fees. Additionally, as
28 mentioned above, the summary nature of the hours/invoice precludes the Court from

1 being able to evaluate the reasonableness of the work performed.

2 Although Mauna Kea offers to provide the Court with actual invoices under
3 seal, at the Court's request, the offer is deficient for at least two reasons: (1) that,
4 absent unusual circumstances, disclosing detailed time records does not violate the
5 attorney-client privilege; and (2) such an offer of supplying evidence later does not
6 fulfill the current burden of justifying reasonable attorney fees. *See Avgoustis v.*
7 *Shinseki*, 639 F.3d 1340, 1344-45 (Fed. Cir. 2011); *see also In re Wash. Pub. Power*
8 *Supply Sys. Sec. Litig.*, 19 F.3d at 1305-06. Mauna Kea has not claimed unusual
9 circumstances as to why it needs to file billing information under seal. The Court
10 declines to invite untimely record keeping submissions or belated explanations for
11 Mauna Kea's failure to fulfill its current burden. Mauna Kea has presented the
12 Court with insufficient hours/invoice summary documents to determine the
13 reasonableness of the work performed. The Court has no way of determining an
14 appropriate amount of fees.

15 Although this case is "exceptional" under 35 U.S.C. § 285, since Mauna Kea
16 has failed to meet its burden to justify reasonable attorney fees relating to
17 AntiCancer's objectively baseless counterclaims, the Court **DENIES** the motion.

18 **III. Conclusion**

19 In light of the foregoing, the Court **DENIES** Defendants' motion for attorney
20 fees under 35 U.S.C. § 285. [Doc. No. 62.]

21
22 DATED: March 12, 2014

23
24 
25 **CATHY ANN BENCIVENGO**
26 United States District Judge
27
28

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Counter Claimant**Anticancer, Inc.**

represented by **Matthew D. Valenti**
 (See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

V.

Counter Defendant**Mauna Kea Technologies**

represented by **Douglas V. Rigler**
 (See above for address)
LEAD ATTORNEY
PRO HAC VICE
ATTORNEY TO BE NOTICED

Jeffrey M. Goehring
 (See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Date Filed	#	Docket Text
06/27/2011	<u>1</u>	COMPLAINT with Jury Demand against Anticancer, Inc. (Filing fee \$350 receipt number 0974-3702232.), filed by Mauna Kea Technologies. The new case number is 3:11-cv-1407-AJB-JMA. Judge Anthony J. Battaglia and Magistrate Judge Jan M. Adler are assigned to the case. (Goehring, Jeffrey)(rlu) (mam). (Main Document 1 replaced on 6/27/2011) (rlu). (Entered: 06/27/2011)
06/27/2011	<u>2</u>	Summons Issued. Counsel receiving this notice electronically should print this summons and serve it in accordance with Rule 4, Fed.R.Civ.P and LR 4.1. (rlu)(mam). (Entered: 06/27/2011)
06/27/2011	<u>3</u>	Corporate Disclosure Statement by Mauna Kea Technologies. (rlu) (mam). (Entered: 06/27/2011)
06/27/2011	<u>4</u>	REPORT on the filing or determination of an action regarding patent and/or trademark number(s) *6,232,523*, *6,235,967*, *6,235,968*, *6,251,384*, *6,649,159*, *6,759,038*, *6,905,831* cc:USPTO (rlu) (mam). (Entered: 06/27/2011)

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08/02/2011	5	Joint MOTION for Extension of Time to File Answer <i>or Otherwise Respond to Complaint</i> by Anticancer, Inc. (Valenti, Matthew) (cge). (Entered: 08/02/2011)
08/03/2011	6	SUMMONS Returned Executed by Mauna Kea Technologies. Anticancer, Inc. served on 7/12/2011, answer due 8/2/2011. (Goehring, Jeffrey) (cge). (Entered: 08/03/2011)
08/03/2011	7	Amended Corporate Disclosure Statement by Mauna Kea Technologies. (Goehring, Jeffrey) Modified text to include 'amended' (cge). (Entered: 08/03/2011)
08/22/2011	8	MOTION to Dismiss <i>Complaint for Lack of Subject Matter Jurisdiction</i> by Anticancer, Inc. (Attachments: # 1 Memo of Points and Authorities, # 2 Declaration, # 3 Exhibit, # 4 Exhibit, # 5 Exhibit)(Valenti, Matthew) (cge). (Entered: 08/22/2011)
08/22/2011	9	NOTICE of Hearing on Motion 8 MOTION to Dismiss Complaint for Lack of Subject Matter Jurisdiction: Motion Hearing set for 11/10/2011 at 1:30 PM in Courtroom 12 before Judge Anthony J. Battaglia. Oppositions are due by September 7, 2011; Replies are due by September 14, 2011. No sur-replies shall be filed without prior leave of Court. (sc) (Entered: 08/22/2011)
09/07/2011	10	RESPONSE in Opposition re 8 MOTION to Dismiss <i>Complaint for Lack of Subject Matter Jurisdiction</i> filed by Mauna Kea Technologies. (Attachments: # 1 Exhibit Exhibit 1)(Goehring, Jeffrey) No hearing date and time (cge). (Entered: 09/07/2011)
09/12/2011	11	ORDER by Judge Anthony J. Battaglia, finding as moot 5 Motion for Extension of Time to Answer. (ymm) (Entered: 09/12/2011)
09/14/2011	12	REPLY to Response to Motion re 8 MOTION to Dismiss <i>Complaint for Lack of Subject Matter Jurisdiction</i> filed by Anticancer, Inc. (Valenti, Matthew)(cge). (Entered: 09/14/2011)
09/29/2011	13	PRO HAC VICE APPOINTED: Douglas V. Rigler appearing for Plaintiff Mauna Kea Technologies (All non-registered users served via U.S. Mail Service) (cge)(jrd) (Entered: 09/30/2011)
11/09/2011	14	ORDER denying 8 Motion to Dismiss. Signed by Judge Anthony J. Battaglia on 11/09/11. (All non-registered users served via U.S. Mail Service)(cge) (jrl). (Entered: 11/09/2011)
11/23/2011	15	ANSWER with jury demand to 1 Complaint, with Jury Demand, COUNTERCLAIM against Mauna Kea Technologies by Anticancer, Inc. (Attachments: # 1 Exhibit)(Valenti, Matthew) (cge). (Entered: 11/23/2011)
11/23/2011	16	NOTICE by Anticancer, Inc. of <i>Related Case</i> (Valenti, Matthew) (cge). (Entered: 11/23/2011)
12/01/2011	17	NOTICE AND ORDER for Early Neutral Evaluation Conference. Early Neutral Evaluation set for 1/19/2012 10:00 AM in the chambers of Magistrate Judge Jan M. Adler. Signed by Magistrate Judge Jan M. Adler on 12/01/11.(All non-registered users served via U.S. Mail Service)(cge)(jrd) (Entered: 12/02/2011)

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12/05/2011	<u>18</u>	ORDER Rescheduling Early Neutral Evaluation Conference previous set for 1/19/12 to 1/31/2012 10:00 AM before Magistrate Judge Jan M. Adler. Signed by Magistrate Judge Jan M. Adler on 12/05/11.(All non-registered users served via U.S. Mail Service) (cge)(jrd) (Entered: 12/05/2011)
12/16/2011	<u>19</u>	ANSWER to <u>15</u> Answer to Complaint, Counterclaim by Mauna Kea Technologies. (Goehring, Jeffrey)(cge). (Entered: 12/16/2011)
12/16/2011	<u>20</u>	MOTION to Dismiss by Mauna Kea Technologies. (Attachments: # <u>1</u> Memo of Points and Authorities)(Goehring, Jeffrey) (cge). (Entered: 12/16/2011)
12/19/2011	21	ORDER by Judge Battaglia, Set briefing schedule as to <u>20</u> MOTION to Dismiss. Responses due by 1/13/2012, Replies due by 1/25/2012, no sur-replies will be filed. Motion Hearing set for 4/6/2012 at 1:30 PM in Courtroom 12 before Judge Anthony J. Battaglia.(sc) (Entered: 12/19/2011)
01/13/2012	<u>22</u>	RESPONSE in Opposition re <u>20</u> MOTION to Dismiss filed by Anticancer, Inc. (Valenti, Matthew) (cge). (Entered: 01/13/2012)
01/25/2012	<u>23</u>	REPLY to Response to Motion re <u>20</u> MOTION to Dismiss filed by Mauna Kea Technologies. (Goehring, Jeffrey)(cge). (Entered: 01/25/2012)
01/31/2012	24	Minute Entry for proceedings held before Magistrate Judge Mitchell D. Dembin: Early Neutral Evaluation Conference held on 1/31/2012 by Magistrate Judge Dembin in Magistrate Judge Adler's absence. (Plaintiff Attorney Douglas Rigler). (Defendant Attorney Matt Valenti). Court to issue written order. (cdc) (Entered: 01/31/2012)
02/02/2012	<u>25</u>	SCHEDULING ORDER: Early Neutral Evaluation Conference held on January 31, 2012. (Telephonic Case Management Conference set for 5/9/2012 09:30 AM before Magistrate Judge Jan M. Adler. Claims Construction Hearing set for 8/23/2012 09:00 AM before Judge Anthony J. Battaglia. Telephonic Case Management Conference set for 10/22/2012 09:30 AM before Magistrate Judge Jan M. Adler). Signed by Magistrate Judge Jan M. Adler on 2/2/12.(All non-registered users served via U.S. Mail Service) (cge)(jrd) (Entered: 02/02/2012)
04/03/2012	26	ORDER by Judge Battaglia, Motions Submitted <u>20</u> MOTION to Dismiss. The Court finds this motion suitable for determination on the papers and without oral argument in accordance with Civil Local Rule 7.1.d.1. Accordingly, no appearances are required and the motion will be deemed submitted as of this date. 4/6/12 Motion hearing vacated.(sc) (Entered: 04/03/2012)
04/05/2012	<u>27</u>	Joint MOTION to Continue <i>Patent Local Rules Schedule</i> by Mauna Kea Technologies. (Goehring, Jeffrey) (cge). (Entered: 04/05/2012)
04/09/2012	28	Minute Entry by Magistrate Judge Jan M. Adler: Case Management Conference set for 4/16/2012 10:00 AM before Magistrate Judge Jan M. Adler to discuss Joint Motion to Modify Schedule filed on 4/5/2012. Counsel for each party to participate by telephone. The Court will initiate the conference call. (cdc) (Entered: 04/09/2012)
04/16/2012	29	Minute Entry for proceedings held before Magistrate Judge Jan M. Adler: Case

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		Management Conference held on 4/16/2012. (Plaintiff Attorney Douglas Rigler). (Defendant Attorney Matt Valenti). (cdc) (Entered: 04/16/2012)
04/17/2012	30	ORDER Granting 27 Joint Motion to Modify Schedule Regarding Patent Disclosures; Amended Scheduling Order. Telephonic Case Management Conference set for 7/19/2012 09:30 AM before Magistrate Judge Jan M. Adler. Claims Construction Hearing set for 11/1/2012 09:00 AM before Judge Anthony J. Battaglia. Telephonic Case Management Conference set for 1/8/2013 09:30 AM before Magistrate Judge Jan M. Adler. Signed by Magistrate Judge Jan M. Adler on 04/17/12. (cge)(jrd) (Entered: 04/17/2012)
07/02/2012	31	ORDER Denying 20 Motion to Dismiss. Signed by Judge Anthony J. Battaglia on 07/02/2012. (yeb)(jrd) (Entered: 07/02/2012)
07/19/2012	32	Minute Entry for proceedings held before Magistrate Judge Jan M. Adler: Case Management Conference scheduled for 7/19/2012 did not go forward due to Defendant's counsel unavailability at the scheduled time of the conference. As the Court subsequently received a status report from each party, the Court will not reschedule the Case Management Conference. (Plaintiff Attorneys Jeffrey Goehring, Douglas Rigler). (Defendant Attorney Matt Valenti). (no document attached) (cdc) (Entered: 07/19/2012)
08/07/2012	33	JOINT HEARING STATEMENT by Mauna Kea Technologies. (Goehring, Jeffrey) (cge). (Entered: 08/07/2012)
08/07/2012	34	JOINT CLAIM CONSTRUCTION CHART by Mauna Kea Technologies. (Goehring, Jeffrey)(cge). (Entered: 08/07/2012)
08/07/2012	35	JOINT CLAIM CONSTRUCTION WORKSHEET by Mauna Kea Technologies. (Goehring, Jeffrey)(cge). (Entered: 08/07/2012)
09/20/2012	36	CLAIM CONSTRUCTION BRIEF by Mauna Kea Technologies. (Attachments: # 1 Declaration of Jeffrey Goehring, # 2 Exhibit 1, # 3 Exhibit 2, # 4 Exhibit 3, # 5 Exhibit 4, # 6 Exhibit 5, # 7 Exhibit 6, # 8 Exhibit 7)(Goehring, Jeffrey) (cge). (Entered: 09/20/2012)
09/20/2012	37	CLAIM CONSTRUCTION BRIEF by Anticancer, Inc. (Attachments: # 1 Exhibit) (Valenti, Matthew) (cge). (Entered: 09/20/2012)
10/01/2012	38	NOTICE of Hearing on Motion-Time Change. The time of the Claims Construction hearing is hereby changed from 9:00 a.m. to 10:00 a.m. on 11/1/2012, in Courtroom 12 before Judge Anthony J. Battaglia. (no document attached) (sc) (Entered: 10/01/2012)
10/04/2012	39	RESPONSE TO CLAIM CONSTRUCTION BRIEF by Mauna Kea Technologies. (Attachments: # 1 Exhibit Exhibits 8-11)(Goehring, Jeffrey) (cge). (Entered: 10/04/2012)
10/04/2012	40	RESPONSE TO CLAIM CONSTRUCTION BRIEF by Anticancer, Inc. (Attachments: # 1 Exhibit)(Valenti, Matthew) (cge). (Entered: 10/04/2012)
10/31/2012	41	ORDER by Judge Battaglia, The Claims Construction Hearing is continued from November 1, 2012 to January 17, 2013 at 1:00 PM in Courtroom 12 before Judge Anthony J. Battaglia.(no document attached) (sc) (Entered: 10/31/2012)

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10/31/2012	42	Minute Entry by Magistrate Judge Jan M. Adler: Case Management Conference set for 1/8/2013 is rescheduled for 3/18/2013 09:30 AM before Magistrate Judge Jan M. Adler. Conference will be held by telephone. The Court will initiate the conference call. (no document attached) (cdc) (Entered: 10/31/2012)
11/13/2012	43	TRANSFER ORDER: Case transferred from the calendar of Judge Anthony J. Battaglia to the calendar of Judge Cathy Ann Bencivengo for all further proceedings. All conferences or hearing dates now set before Judge Battaglia are now set before Judge Bencivengo until further order from Judge Bencivengo. Judge Anthony J. Battaglia is no longer assigned to case and Judge Cathy Ann Bencivengo is now assigned to the case. The new case number is 11cv1407 CAB (JMA). Signed by Judge Anthony J. Battaglia on 11/9/12.(cge) (Entered: 11/15/2012)
11/16/2012	44	MINUTE ORDER: The Court hereby RESETS the Claim Construction Hearing for Thursday, February 28, 2013 at 9:00 AM in Courtroom 2 before Hon. Cathy Ann Bencivengo. Accordingly, the Court hereby VACATES the Order (doc # 41) Setting the Claim Construction Hearing for January 2013.(yeb)(jrd) (Entered: 11/16/2012)
02/11/2013	45	Ex Parte MOTION to Continue <i>Markman Hearing</i> by Anticancer, Inc. (Attachments: # 1 Declaration, # 2 Declaration)(Valenti, Matthew)(yeb). (Entered: 02/11/2013)
02/12/2013	46	RESPONSE in Opposition re 45 Ex Parte MOTION to Continue <i>Markman Hearing</i> filed by Mauna Kea Technologies. (Goehring, Jeffrey) (yeb). (Entered: 02/12/2013)
02/13/2013	47	NOTICE of Non-Compliance with Local Rule 5.1(a) Legibility, re 46 Response in Opposition to Motion filed by Mauna Kea Technologies (ag) (cap). (Entered: 02/13/2013)
02/13/2013	48	ORDER Granting 45 Ex Parte Motion to Continue Markman Hearing. The Court resets the Markman Hearing for 4/29/2013 at 10:00 AM in Courtroom 4C before Judge Cathy Ann Bencivengo. The Court vacates the Order 44 setting the hearing for 02/28/2013. Signed by Judge Cathy Ann Bencivengo on 02/13/2013. (ag)(jrd) (Entered: 02/13/2013)
02/13/2013	49	Minute Entry by Magistrate Judge Jan M. Adler: In view of the continuance of the Markman hearing to 4/29/2013, the Case Management Conference set for 3/18/2013 before Magistrate Judge Adler is continued to 5/21/2013 09:30 AM. Counsel for each party shall participate in the conference by telephone. The Court will initiate the conference call. (no document attached) (cdc) (Entered: 02/13/2013)
03/19/2013	50	Joint MOTION for Protective Order by Mauna Kea Technologies. (Goehring, Jeffrey) (yeb). (Entered: 03/19/2013)
03/21/2013	51	ORDER Granting 50 Joint Motion for Entry of Agreed Protective Order. Protective Order. Signed by Magistrate Judge Jan M. Adler on 03/21/2013. (yeb)(jrd) (Entered: 03/21/2013)
04/29/2013	52	Minute Entry for proceedings held before Judge Cathy Ann Bencivengo: Claims Contruction Hearing held on 4/29/2013. Written order from the court to follow.(Court

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		Reporter Mauralee Ramirez). (Plaintiff Attorney Jeffrey Goehring and Douglas Rigler). (Defendant Attorney Matthew Valenti). (Robert Hoffman, president of Anticancer, Inc.). (no document attached) (lmh) (Entered: 04/29/2013)
05/17/2013	53	Minute Entry by Magistrate Judge Jan M. Adler: The Court hereby vacates the Case Management Conference set for 5/21/2013 9:30 AM. The conference will be reset after a claim construction ruling has been issued. (no document attached) (cdc) (Entered: 05/17/2013)
05/30/2013	54	NOTICE by Anticancer, Inc. re 15 Answer to Complaint, Counterclaim <i>Notice of Withdrawal of Counterclaims</i> (Valenti, Matthew) (yeb). (Entered: 05/30/2013)
05/30/2013	55	MOTION to Dismiss <i>AntiCancer's counterclaims</i> by Anticancer, Inc.. (Attachments: # 1 Memo of Points and Authorities, # 2 Exhibit 1, # 3 Exhibit 2)(Valenti, Matthew) (yeb). (Entered: 05/30/2013)
06/14/2013	56	NON Opposition re 55 MOTION to Dismiss <i>AntiCancer's counterclaims And Request for Status Conference</i> filed by Mauna Kea Technologies. (Goehring, Jeffrey) (yeb). (Entered: 06/14/2013)
06/17/2013	57	MINUTE ORDER: The Court hereby sets a Status Conference to address the issues raised by Mauna Kea Technologies recent filing [Doc. No. 56] for Thursday, June 20, 2013 at 2:00 PM in Courtroom 4C before the Honorable Cathy Ann Bencivengo. Counsel may appear telephonically, but should contact Chambers in advance to notify the Court of their intent to do so.(yeb) (Entered: 06/17/2013)
06/18/2013	58	RESPONSE re 56 Non Opposition to Motion <i>Response</i> filed by Anticancer, Inc.. (Valenti, Matthew) (yeb). (Entered: 06/18/2013)
06/20/2013	59	Minute Entry for proceedings held before Judge Cathy Ann Bencivengo: Telephonic Status Conference held on 6/20/2013. The court vacates all pending dates currently set on the docket. The parties have until 7/19/2013 to file a joint motion to dismiss or joint filing regarding a motion to dismiss.(Court Reporter/ECR Mauralee Ramirez). (Plaintiff Attorney Jeffrey Goehring and Douglas Rigler). (Defendant Attorney Matthew Valenti). (no document attached) (lmh) (Entered: 06/21/2013)
07/19/2013	60	Joint MOTION to Dismiss , <i>For Leave to File AntiCancer, Inc.'s Amended Answer; and for Declaration of Non-Infringement By Mauna Kea Technologies</i> by Mauna Kea Technologies. (Attachments: # 1 Exhibit Amended Answer)(Goehring, Jeffrey) (yeb). (Entered: 07/19/2013)
07/29/2013	61	ORDER granting 60 Joint Motion to Dismiss. The Court hereby dismisses with prejudice AntiCancers counterclaims for direct, contributory, and inducement of infringement; grants leave to file AntiCancers Amended Answer, which was attached to the Joint Motion as Exhibit 1, as docket entry 55-2; and declares non-infringement by Mauna Kea Technologies. This case is closed. Signed by Judge Cathy Ann Bencivengo on 07/29/2013. (yeb) (av1). (Entered: 07/29/2013)
08/09/2013	62	MOTION for Attorney Fees by Mauna Kea Technologies. (Attachments: # 1 Memo of

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		Points and Authorities, # 2 Exhibit 1-11 for Memorandum of Points and Authorities, # 3 Declaration of Jeffrey M. Goehring, # 4 Exhibit A-D for Declaration of Jeffrey M. Goehring, # 5 Proof of Service)(Goehring, Jeffrey) (yeb). (Entered: 08/09/2013)
09/09/2013	63	REPORT of Patent and Trademark Closing, regarding patent and/or trademark number(s) 6,232,523; 6,759,038; 6,235,967; 6,905,831; 6,235,968; 6,251,384 and 6,649,159, re 61 Order on Motion to Dismiss. cc:USPTO (ag) (av1). (Entered: 09/09/2013)
10/03/2013	64	RESPONSE in Opposition re 62 MOTION for Attorney Fees filed by Anticancer, Inc.. (Attachments: # 1 Declaration of Matt Valenti, # 2 Exhibit 1-8)(Valenti, Matthew)(yeb). (Entered: 10/03/2013)
10/10/2013	65	REPLY to Response to Motion re 62 MOTION for Attorney Fees <i>and Exhibits E - H</i> filed by Mauna Kea Technologies. (Attachments: # 1 Exhibit E - H)(Goehring, Jeffrey) (yeb). (Entered: 10/10/2013)
10/15/2013	66	MINUTE ORDER: Currently on calendar for Thursday, October 17, 2013 at 2:00 p.m. is a hearing on Mauna Kea Technologies Motion for Attorneys Fees 62 . The Court finds this motion suitable for decision without oral argument. Accordingly, the hearing on this motion is taken off calendar and these matters are taken under submission. No appearances will be required in these matters on Thursday, October 17, 2013.(yeb) (Entered: 10/15/2013)
03/07/2014	67	NOTICE by Mauna Kea Technologies re 62 MOTION for Attorney Fees <i>Notice of Supplemental Authority</i> (Attachments: # 1 Supplement Kilopass Tech., Inc. v. Sidense Corp., 738 F.3d 1302 (Fed. Cir. 2013))(Goehring, Jeffrey) (vam). (Entered: 03/07/2014)
03/12/2014	68	ORDER Denying Mauna Kea Technologies' Motion for Attorney Fees Under 35 U.S.C. § 285 (Doc. No. 62). Signed by Judge Cathy Ann Bencivengo on 3/12/2014. (vam) (jrd) (Entered: 03/12/2014)
03/28/2014	69	NOTICE OF APPEAL to the Federal Circuit as to 68 Order Denying Mauna Kea Technologies' Motion for Attorney Fees Under 35 U.S.C. § 285, by Mauna Kea Technologies. (Filing fee \$ 505 receipt number 0974-6889362.) (Goehring, Jeffrey). Modified on 3/28/2014 to edit docket text re Order being appealed. The Notice of Appeal will be electronically transmitted to the US Court of Appeals for the Federal Circuit. (akr). (Entered: 03/28/2014)
04/11/2014	70	TRANSCRIPT DESIGNATION AND ORDERING FORM by Mauna Kea Technologies: No transcripts designated re 69 Notice of Appeal to Federal Circuit. (Goehring, Jeffrey). Modified on 4/11/2014 to add text noting that no transcripts are designated. (akr). (Entered: 04/11/2014)
04/15/2014	71	USCA Case Number 14-1412 for 69 Notice of Appeal to Federal Circuit, filed by Mauna Kea Technologies. (akr) (Entered: 04/15/2014)

4/24/2014

CM/ECF - casd

PACER Service Center			
Transaction Receipt			
04/24/2014 07:14:22			
PACER Login:	yt0040	Client Code:	
Description:	Docket Report	Search Criteria:	3:11-cv-01407-CAB-JMA
Billable Pages:	7	Cost:	0.70

Case 3:11-cv-01407-AJB -JMA Document 1 Filed 06/27/11 Page 1 of 7

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THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT CALIFORNIA

MAUNA KEA TECHNOLOGIES,

Plaintiff,

v.

ANTICANCER, INC.

Defendant.

Civil Action No. **'11CV1407 AJB JMA**

DEMAND FOR JURY TRIAL

**COMPLAINT FOR DECLARATORY JUDGMENT
OF PATENT NON-INFRINGEMENT, INVALIDITY, AND UNENFORCEABILITY**

Plaintiff Mauna Kea Technologies ("Mauna Kea") for its Complaint against
defendant Anticancer, Inc. ("AntiCancer") alleges as follows:

THE PARTIES

1. Plaintiff Mauna Kea Technologies is a corporation organized and existing under the laws of France with its principal place of business at 9 rue d'Enghien, 75010 Paris, France.
2. Defendant AntiCancer, Inc. is a California State corporation with its principal place of business at 7917 Ostrow St., San Diego, CA 92111.

NATURE OF THE ACTION

3. This is a declaratory judgment action seeking a determination that Mauna Kea does not infringe any claim of U.S. Patent Nos. 6,232,523; 6,235,967; 6,235,968; 6,251,384; 6,649,159; 6,759,038; and 6,905,831 ("Patents-In-Suit").

1 4. This is a declaratory judgment action seeking a determination that one or more of the
2 claims of the Patents-In-Suit is invalid.

3 5. Upon information and belief, AntiCancer is the owner by assignment of each of the
4 Patents-in-Suit.

5 **JURISDICTION AND VENUE**

6 6. This is a complaint for declaratory relief under the patent laws of the United States,
7 35 U.S.C. §§ 1, *et seq.*

8 7. Mauna Kea seeks declaratory relief under 28 U.S.C. §§ 2201 and 2202.

9 8. This Court has subject matter jurisdiction under 35 U.S.C. §§ 1331 and 1338(a).

10 9. Venue is proper within this district pursuant to 28 U.S.C. § 1391(b) and (c).

11 10. This Court has personal jurisdiction over AntiCancer because AntiCancer has its
12 principal place of business located within this district.

13 **THE SUBSTANTIAL CONTROVERSY BETWEEN THE PARTIES**

14 11. AntiCancer has created an actual case or controversy through repeated assertions that
15 Mauna Kea must obtain a license under at least six patents identified by AntiCancer as well
16 as other unidentified AntiCancer patents.

17 12. Commencing in January 2006, AntiCancer, through its president, Robert Hoffman,
18 asserted in a letter to Mauna Kea that it was necessary for Mauna Kea to have a license from
19 AntiCancer in order to sell Mauna Kea's CellVizio imaging device. AntiCancer's letter
20 asserted the following U.S. Patents: No. 6,232,523; No. 6,235,968; No. 6,251,384; No.
21 6,649,159; No. 6,759,038; No. 6,905,831; European Patent 0437488; as well as unidentified
22 "pending world-wide patents." AntiCancer further asserted that the patents are directed in
23 unlimited scope and breadth to "all other applications of In Vivo imaging with fluorescent
24 proteins." Although U.S. patent No. 6,235,967 was not specifically asserted in the January
25 2006 letter, it is part of the same family of patents as the others and covers the same general
26 technology.
27
28

1 13. In response to a request by U.S. counsel for Mauna Kea for specificity with regard to
2 the demand that Mauna Kea take a license, Dr. Hoffman wrote directly to the President of
3 Mauna Kea on March 22, 2006, without copying Mauna Kea's U.S. counsel, reiterating
4 AntiCancer's assertion that the specified patents and unidentified world-wide patent
5 applications required Mauna Kea to take a license from AntiCancer.

6 14. Dr. Hoffman's letter of March 22, 2006 refused Mauna Kea's request for greater
7 specificity but stated that the patents identified in his earlier letter of January 2006 "clearly
8 cover the Cell-Vizio product and its applications."

9 15. On November 22, 2010, Mauna Kea's U.S. counsel received a letter from Dan
10 Lawton, an attorney who introduced himself as AntiCancer's legal representative. In his
11 letter, Mr. Lawton demanded answers to a set of ten questions in the nature of interrogatories
12 or requests for admissions pursuant to Rule 36 of the Federal Rules of Civil Procedure.
13 Although the letter stated that it was not the purpose of the letter to accuse Mauna Kea of any
14 infringement of any patent, the letter set a deadline of December 3, 2010, for a "substantive"
15 reply. Mr. Lawton's law firm has filed at least three actions in this Court accusing other
16 companies of infringing the same patents which AntiCancer is asserting against Mauna Kea.

17 16. On December 6, 2010, Mauna Kea filed an action for declaratory judgment against
18 AntiCancer in the U.S. District Court for the Eastern District of Pennsylvania (the
19 "Pennsylvania Action"). The Pennsylvania Action sought substantially the same relief as
20 sought in this action. Personal jurisdiction was based on AntiCancer's partnership, licensing,
21 and publishing activity in Pennsylvania, as well as AntiCancer's patent enforcement activity
22 directed toward Mauna Kea Technologies, Inc., the U.S. subsidiary of plaintiff Mauna Kea
23 Technologies and a corporation with its principal place of business in Pennsylvania.

24 17. AntiCancer moved to dismiss the Pennsylvania Action for lack of subject matter
25 jurisdiction. AntiCancer did not move to transfer the Pennsylvania Action to this Court or
26 any other court.
27
28

18. The Pennsylvania Action was dismissed for lack of personal jurisdiction on May 5, 2011.

COUNT I

**(DECLARATORY JUDGMENT OF UNENFORCEABILITY
DUE TO LACHES AND ESTOPPEL)**

19. Mauna Kea realleges and incorporates herein the allegations of the preceding paragraphs of this Complaint as fully set forth herein.

20. AntiCancer's delay in asserting its patents after its 2006 accusations of infringement is unreasonable and unexcused and has misled Mauna Kea to reasonably believe that AntiCancer does not intend to assert its patents against Mauna Kea.

21. AntiCancer's failure to assert its patents after its letter of November 22, 2010, and its failure to assert its patents in response to Mauna Kea's Pennsylvania Action, constitutes unreasonable and unexcused delay and has misled Mauna Kea to reasonably believe that AntiCancer does not intend to assert its patents against Mauna Kea.

22. Mauna Kea has detrimentally relied on AntiCancer's delay, failure to respond to Mauna Kea's requests, and failure to assert its patents in the Pennsylvania Action.

23. AntiCancer's actions in 2006 and its delay and failure to act since that time have been economically and evidentially prejudicial to Mauna Kea because they cause Mauna Kea to operate in an atmosphere of business uncertainty.

24. AntiCancer is barred in whole or in part from asserting the Patents-In-Suit, or otherwise obtaining damages for any alleged infringement of the Patents-In-Suit, under the doctrine of laches and/or estoppel.

25. As a result of the acts described in the foregoing paragraphs, a substantial controversy exists of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

26. A judicial declaration is necessary and appropriate so that Mauna Kea may ascertain its rights regarding AntiCancer's ability to enforce the Patents-In-Suit or otherwise recover or obtain relief for any alleged infringement of the Patents-In-Suit.

COUNT II

(DECLARATORY JUDGMENT OF NON-INFRINGEMENT)

27. Mauna Kea realleges and incorporates herein the allegations of the preceding paragraphs of this Complaint as fully set forth herein.

28. Mauna Kea has not directly infringed, induced infringement, or contributed to infringement of any claim of the Patents-In-Suit either directly or under the doctrine of equivalents.

29. As a result of the acts described in the foregoing paragraphs, there exists a substantial controversy of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

30. A judicial declaration is necessary and appropriate so that Mauna Kea may ascertain its rights regarding patent Nos. 6,232,523; 6,235,967; 6,235,968; 6,251,384; 6,649,159; 6,759,038; and 6,905,831.

31. Mauna Kea is entitled to a declaratory judgment that it has not infringed and does not infringe any claim of patent Nos. 6,232,523; 6,235,967; 6,235,968; 6,251,384; 6,649,159; 6,759,038; 6,905,831.

COUNT III

(DECLARATORY JUDGEMNT OF INVALIDITY)

32. Mauna Kea realleges and incorporates herein the allegations of the preceding paragraphs of this Complaint as fully set forth herein.

33. One or more claim of the Patents-In-Suit is invalid for failing to comply with the conditions of patentability set forth in 35 U.S.C. §§ 102, 103, and/or 112, and the rules, regulations, and laws pertaining thereto, including without limitation at least U.S. Patent Nos. 6,251,384; 6,649,159; and 6,759,038.

34. Mauna Kea is entitled to a declaratory judgment that one or more of the claims in the Patents-In-Suit are invalid.

RELIEF REQUESTED

WHEREFORE, plaintiff Mauna Kea Technologies requests this Court to enter judgment against defendant AntiCancer, Inc. and any parent corporation, subsidiary, affiliate, agent, employees, and all persons in active concert or participation with AntiCancer and to grant the following relief:

- a) A declaration that Mauna Kea has not infringed, either directly or indirectly, any claim of the Patents-In-Suit, either literally or under the doctrine of equivalents;
- b) A declaration that the claims of the Patents-In-Suit are invalid;
- c) A declaration that any past damages claimed by AntiCancer are barred by the doctrine of laches.
- d) A declaration that enforcement of the Patents-In-Suit, and all relief or recovery sought by AntiCancer regarding the Patents-In-Suit, are barred by the doctrine of estoppel;
- e) An award of Mauna Kea's fees and costs, including attorney's fees, pursuant to 35 U.S.C. § 285; and
- f) Such other relief as may be just and equitable.

June 27, 2011

YOUNG & THOMPSON

By: /s/ Jeffrey M. Goehring
Jeffrey M. Goehring, 233002

Young & Thompson
209 Madison St., Suite 500
Alexandria, VA 22314
(703) 521-2297

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

MAUNA KEA TECHNOLOGIES

(b) County of Residence of First Listed Plaintiff Outside US
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Jeffrey M. Goehring, Young & Thompson, 209 Madison St., Suite 500, Alexandria, VA 22314, 703-521-2297

DEFENDANTS

ANTICANCER, INC.

County of Residence of First Listed Defendant
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☒ 3 Federal Question (U.S. Government Not a Party)
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|--|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated <i>or</i> Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated <i>and</i> Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input checked="" type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

35 U.S.C. 1 et seq.

Brief description of cause:

Declaratory judgment of non-infringement, invalidity, and unenforceability of patents

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

06/27/2011

SIGNATURE OF ATTORNEY OF RECORD

/s/ Jeffrey M. Goehring, 233002

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

A029

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

MAUNA KEA TECHNOLOGIES,) Civil No. 11cv1407 AJB (JMA)
)
Plaintiff,) ORDER DENYING
v.) MOTION TO DISMISS
)
ANTICANCER, INC.,) [Doc. No. 8]
)
Defendants.)

Plaintiff Mauna Kea Technologies (“MKT”) brings this action against Defendant AntiCancer, Inc. (“AntiCancer”) for a declaratory judgment of non-infringement, invalidity, and unenforceability of AntiCancer’s seven patents. AntiCancer filed a motion to dismiss for lack of subject matter jurisdiction [Doc. No. 8]. The Plaintiff filed an opposition [Doc. No. 10], and the Defendant filed a reply [Doc. No. 12]. The hearing set for November 10, 2011 at 1:30 p.m. before Judge Battaglia is hereby VACATED as this motion is appropriate for submission on the papers without oral argument pursuant to Civil Local Rule 7.1.d.1. Based upon the parties’ moving papers and for the reasons set forth herein, the Defendant’s motion to dismiss [Doc. No. 8] is hereby DENIED.

Background

AntiCancer is a California corporation with its principal place of business in San Diego and holds numerous patents covering in vivo green fluorescence protein ("GFP") imaging. MKT is a French corporation with its principal place of business in Paris, France and sells the CellVizio imaging device.

1 MKT filed this Complaint for declaratory relief seeking a determination that MKT does not
2 infringe any claim of AntiCancer's U.S. Patent Nos. 6,232,523; 6,235,967; 6,235,968; 6,251,384;
3 6,649,159; 6,759,038; and 6,905,831 ("Patents-In-Suit"). MKT contends that AntiCancer created an
4 actual case or controversy through: 1) repeated assertions in correspondence between MKT and
5 AntiCancer, that MKT must obtain a license under at least six patents identified by AntiCancer, as well
6 as other unidentified AntiCancer patents; and 2) filing numerous actions in this Court accusing other
7 companies of infringing the same patents which AntiCancer is asserting against MKT.

8 ***I. The Correspondence at Issue***

9 The communications MKT relies upon in bringing the instant action consist of four letters
10 between MKT and AntiCancer in 2006 and one letter in 2010.

11 ***A. The 2006 Letters***

12 The correspondence begins with the January 17, 2006 letter from AntiCancer's founder and
13 CEO, Dr. Robert Hoffman, to Dr. Sacha Loisseau of MKT. [Doc. No. 8-3.] The letter specifically
14 identifies six patents as well as unspecified "pending world-wide patents" and alleges that "[i]t is clear"
15 that the "prime use" of the instruments sold and promoted by MKT is to practice the imaging techniques
16 claimed in AntiCancer's patents and pending applications.¹ The letter states, "Therefore, it is necessary
17 for MKT to have a license from AntiCancer to sell this instrument." The letter goes on to dictate
18 conditions for the demanded licenses, noting that the license will provide MKT's customers "full rights
19 to sell and use" MKT's product. The letter closes by requesting AntiCancer designate a person to "begin
20 negotiations."

21 On February 9, 2006, MKT's counsel sent a letter to Dr. Hoffman, informing AntiCancer that its
22 license demand was "far too broadly stated." MKT's counsel cited AntiCancer's lack of specifics
23 regarding the alleged infringement and requested AntiCancer identify the specific patent claims
24 allegedly infringed and the specific products accused, as well as identify and provide copies of the
25

26
27 ¹ AntiCancer's letter asserted the following U.S. Patents: No. 6,232,523; No. 6,235,968; No.
28 6,251,384; No. 6,649,159; No. 6,759,038; No. 6,905,831; European Patent 0437488; as well as
unidentified "pending world-wide patents." Although U.S. patent No. 6,235,967 was not specifically
asserted in the January 2006 letter, MKT contends that it is part of the same family of patents as the
others and covers the same general technology.

1 pending applications referenced by Dr. Hoffman to allow MKT to make a good faith evaluation of
2 AntiCancer's assertions that a license was "necessary." [Doc. No. 10-1, p.3.]

3 Dr. Hoffman's response on March 22, 2006 did not address any of the concerns of MKT's
4 counsel set forth in the February 9, 2006 letter and was addressed to Dr. Sacha Loisseau of MKT. Dr.
5 Hoffman again alleged that AntiCancer's patents "clearly cover" MKT's product(s) and application(s)
6 and included a "term sheet" requiring the payment of hundreds of thousands of dollars.

7 MKT's counsel wrote back to Dr. Hoffman on April 6, 2006, again stating that it was
8 unreasonable for AntiCancer to allege infringement in such unspecified terms. [Doc. No. 10-1 p.8.]
9 MKT's counsel further stated that MKT was unwilling to consider negotiation of a license without
10 knowing at least which claims of which patents were asserted to cover which products or activity and in
11 what manner. MKT again requested AntiCancer identify the relevant claims of each patent. *Id.*
12 AntiCancer did not respond to this request.

13 ***B. The 2010 Letter***

14 On November 22, 2010, more than four years later, AntiCancer's counsel sent MKT's counsel a
15 letter accompanied by an email that acknowledged the prior 2006 correspondence, stating that MKT's
16 counsel was being contacted "based on review of prior correspondence." [Doc. No. 8-5 p.1-3.]
17 AntiCancer's letter stated that it was not accusing MKT of infringement, but demanded MKT respond to
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a series of interrogatory-like questions regarding MKT's activities "during the past six years"² and requested MKT provide its response by December 3, 2010. *Id.*

Two weeks after receiving the 2010 Letter, MKT filed a declaratory judgment action against AntiCancer in the Eastern District of Pennsylvania seeking judgment of invalidity and non-infringement of the patents at issue in this case. [Compl. ¶ 16.] The Pennsylvania action was dismissed for lack of personal jurisdiction. [Compl. ¶ 18.] MKT subsequently filed the same declaratory judgment suit against AntiCancer with this Court on June 27, 2011. AntiCancer filed the instant motion to dismiss for lack of subject matter jurisdiction.

II. AntiCancer Litigation Involving the Patents

AntiCancer initiated nine lawsuits for patent infringement in the Southern District California, many of which assert the same patents at issue in this case.³

² AntiCancer's questions from the November 22, 2010 letter are as follows:
During the past 6 years, has [MKT] (or any person acting on its behalf):

1. Administered any protocol or drug to a mammalian subject which contains a tumor containing cells which express [GFP]?
2. Monitored the progression of metastasis in any such animal via observation of a tumor which express GFP?
3. Employed a technique known as surgical orthotopic implantation of tumor cells into a mammalian subject?
4. Injected into a live animal cells of a stably transformed tumor cell line which has been transfected with GFP?
5. Monitored any progression of metastasis by excising fresh organ tissues from a mammalian subject, including via microscopic examination?
6. Employed any means of monitoring of progression of metastasis in any mammalian subject via a process known as fluorescent optical tumor imaging in the body of a live animal?
7. Delivered, to an animal, cells containing a nucleic acid encoding a fluorophore operatively linked to the promoter of an endogenous gene?
8. Observed fluorescence generated by a fluorophore in the animal via a process known as whole-body external fluorescent optical imaging?
9. Delivered to an animal any such cell via a surgical procedure and/or surgical orthotopic implantation?
10. Using a skin flap, observed tumor progression, angiogenesis and/or metastasis in animal models in real time using fluorescent tumor cells?

³ The following is a list of the AntiCancer cases in the Southern District California:

- 3:05-cv-00448-JLS-AJB filed 03/07/2005 asserting Patent Nos. 6,232,523; 6,235,968; 6,251,384; 6,649,159; 6,759,038;
- 3:07-cv-00097-JLS -RBB filed 01/12/2007 asserting infringement of Patent Nos. 6,232,523; 6,235,968; 6,251,384; 6,649,159; 6,759,038;
- 3:07-cv-00778-JAH-BLM filed 04/27/2007 asserting infringement of Patent Nos. 5,491,284 and 5,569,812, as well as various other claims;
- 3:07-cv-02294-MMA-BLM filed 12/07/2007 asserting infringement of Patent Nos. 5,998,191; 6,066,467; 6,140,102; 6,448,446; and 6,468,762; as well as

The Declaratory Judgment Act provides that “[i]n a case or actual controversy . . . any court of the United States . . . may declare the rights and other legal relations of any interested party.” 28 U.S.C. 2201(a). The word “may” within the language of the Declaratory Judgment Act means that a court has discretion to accept a declaratory judgment action in the first place: “In a case of actual controversy within its jurisdiction . . . any court . . . may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.” 28 U.S.C. § 2201(a) (emphasis added). Even when jurisdiction is present, district courts retain some measure of discretion to decline to hear the case.⁴ Although broad, that discretion is not absolute.⁵ A district court, when deciding whether to exercise its discretion, should decide whether hearing the case would “serve the objectives for which the Declaratory Judgment Act was created.”⁶ When these objectives are served, dismissal is rarely proper. *Id.* Whether intended or not, the now more lenient legal standard facilitates or enhances the availability of declaratory judgment jurisdiction in patent cases.⁷

- 3:07-cv-01004-JLS –AJB filed 06/01/2007 asserting infringement of Patent Nos. 6,232,523; 6,235,968; 6,251,384; 6,649,159; 6,759,038;
- 3:09-cv-00351-JLS –RBB filed 02/23/2009 asserting infringement of Patent Nos. 6,251,384; 6,649,159; 6,759,038;
- 3:09-cv-01311-AJB –JMA filed 06/17/2009 asserting infringement of Patent Nos. 6,251,384; 6,649,159; 6,759,038;
- 3:10-cv-02343-JAH –JMA filed 11/15/2010 asserting infringement of Patent Nos. 6,649,159 and 6,759,038;
- 3:10-cv-02515-MMA –BLM filed 12/08/2010 asserting infringement of Patent Nos. 6,649,159 and 6,759,038 as well as various other claims.

⁵ See *Genentech, Inc. v. Eli Lilly & Co.*, 998 F.2d 931, 936 (Fed. Cir.1993) (citing 10A Charles A. Wright, Arthur R. Miller, Mary Kay Kane, Federal Practice and Procedure § 2759, at 655–56 (2d ed.1983 and Supp.1992)); see also *Capo*, 387 F.3d at 1355 (citing *Public Affairs Assocs., Inc. v. Rickover*, 369 U.S. 111, 112, 82 S.Ct. 580, 7 L.Ed.2d 604 (1962)) ("There must be well-founded reasons for declining to entertain a declaratory judgment action.").

⁷ *Sony Elecs. Inc., v. Guardian Media Techs., Ltd.*, 497 F.3d 1271 (Fed.Cir.2007) (remand of district court's dismissal of declaratory judgment action); *Teva Pharms. USA, Inc. v. Novartis Pharms. Corp.*, 482 F.3d 1330 (Fed.Cir.2007) (reversal of district court's dismissal of declaratory judgment action); *SanDisk Corp.*, 480 F.3d 1372 (remand of district court's dismissal of declaratory judgment action).

1 “The phrase ‘case or actual controversy’ refers to the type of ‘Cases’ and ‘Controversies’ that are
2 justiciable under Article III [of the Constitution].” *Sony Elecs., v. Guardian Media Techs., Ltd.*, 497
3 F.3d 1271, 1283 (Fed. Cir. 2007). A declaratory judgment plaintiff is required to satisfy Article III,
4 which includes standing and ripeness, by showing under “all the circumstances” an actual or imminent
5 injury caused by the defendant exists that can be redressed by judicial relief which is of “sufficient
6 immediacy and reality to warrant the issuance of a declaratory judgment.” *MedImmune*, 127 S.Ct. at 771
7 (internal citations omitted).

8 Actual controversy exists “where the patentee takes a position that puts the declaratory judgment
9 plaintiff in the position of either pursuing arguably illegal behavior or abandoning that which he claims
10 a right to.” *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1381 (Fed. Cir. 2007). “The
11 purpose of the Declaratory Judgment Act . . . in patent cases is to provide the allegedly infringing party
12 relief from uncertainty and delay regarding its legal rights.” *Goodyear Tire & Rubber Co. v.*
13 *Releasomers, Inc.*, 824 F.2d 953, 956 (Fed.Cir.1987). In *Electronics for Imaging*, the Federal Circuit
14 elaborated on the purposes of the Act:

15 [A] patent owner . . . attempts extra-judicial patent enforcement with
16 scare-the-customer-and-run tactics that infect the competitive environment
17 of the business community with uncertainty and insecurity Before the
18 Act, competitors victimized by that tactic were rendered helpless and
19 immobile so long as the patent owner refused to grasp the nettle and sue.
After the Act, those competitors were no longer restricted to an *in*
terrorem choice between the incurrence of a growing potential liability for
patent infringement and abandonment of their enterprises; they could clear
the air by suing for a judgment that would settle the conflict of interests.

20 *See Elecs. for Imaging, Inc. v. Coyle*, 394 F.3d 1341, 1346 (Fed.Cir.2005) (quoting *Arrowhead Indus.*
21 *Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731, 735 (Fed.Cir.1988)).

22 The test for subject matter jurisdiction in a declaratory relief action is “whether the facts alleged,
23 under all the circumstances, show that there is a substantial controversy, between the parties having
24 adverse legal interest, of sufficient immediacy and reality to warrant the issuance of a declaratory
25 judgment.” *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 126 (2007) (quoting *Md. Cas.*, 312 U.S.
26 at 273, 61 S.Ct. 510). In short, “all the circumstances” must show a controversy.

27 AntiCancer argues in the motion to dismiss that MKT has not alleged sufficient facts to establish
28 the existence of any controversy between AntiCancer and MKT that is substantial, immediate, and real

1 and as such, the Court should exercise its broad discretion to dismiss this declaratory judgment action.
2 Alternatively, MKT argues that the parties' correspondence in 2006 clearly established a real and
3 substantial dispute, and the intervening four years did not eliminate the immediacy of that dispute in
4 light of AntiCancer's aggressive litigation strategy, and in light of AntiCancer's renewal of the dispute
5 with MKT's November 2010 letter. MKT argues, and this Court agrees, that this case is analogous to
6 *Micron Tech., Inc. v. Mosaid Tech., Inc.*, 518 F.3d 897, 901-902 (Fed. Cir. 2008).

7 In *Micron*, the plaintiff was one of four leading dynamic random access memory chip (DRAM)
8 manufacturers.⁸ *Micron*, 518 F.3d at 899. Defendant MOSAID owned several DRAM chip patents,
9 which were licensed to the other main manufactures. *Id.* In June 2001, MOSAID sent a warning letter to
10 plaintiff "strongly suggesting" that plaintiff license its technology, and three additional follow-up letters
11 within thirteen months of the initial letter. However, plaintiff did not file a declaratory judgment action
12 against MOSAID until four years after receiving the last letter.

13 Because the four major DRAM manufacturers did not take licenses, MOSAID began enforcing
14 its patents in court. MOSAID sued each of the DRAM manufacturers, and one by one these cases were
15 settled when the manufacturer agreed to a license.⁹ After each licensing agreement, MOSAID issued
16 public statements reiterating its intent to pursue its aggressive licensing strategy. MOSAID also made
17 similar statements in its annual reports.¹⁰

18 Micron filed a declaratory action in the Northern District of California on July 24, 2005, seeking
19 a declaration of noninfringement of fourteen MOSAID patents. The next day, MOSAID filed an
20 infringement action against Micron in the Eastern District of Texas asserting seven patents and naming

21 ⁸ Samsung Electronics Company Ltd. (Samsung), Hynix Semiconductor Inc. (Hynix), Infineon
22 Technologies of North America (Infineon), and Micron account for more than 75% of worldwide
23 DRAM sales. MOSAID Technologies, Inc.

24 ⁹ MOSAID began by suing Samsung. Suspecting it was likely next on the list, Infineon filed an
25 action seeking a declaratory judgment that it was not infringing MOSAID's patents. After a claim
26 construction unfavorable to MOSAID, Infineon won a summary judgment of noninfringement. Later in
27 the ongoing saga of litigation, Samsung and MOSAID settled. On the day of the settlement, MOSAID
28 sued Hynix. The case against Hynix settled as well when Hynix agreed to a license. On April 6, 2005
MOSAID asserted three new patents against Infineon. This case also settled when Infineon agreed to a
license.

¹⁰ Press reports following MOSAID June 14, 2005 conference call with analysts predicted that
Micron posed the obvious next target now that MOSAID had settled with the other three leading DRAM
manufacturers (Samsung, Hynix, and Infineon).

1 two additional small DRAM manufacturers as defendants. MOSAID filed a motion to dismiss for lack
2 of subject matter jurisdiction under Article III of the United States Constitution or the Declaratory
3 Judgment Act, 28 U.S.C. § 2201. The District Court for the Northern District of California granted the
4 motion to dismiss, finding no jurisdiction under the reasonable apprehension of suit test.¹¹

5 In granting MOSAID's motion to dismiss, the district court noted MOSAID's pattern of
6 litigation, but ultimately decided that "MOSAID's conduct was not sufficient to give rise to a reasonable
7 apprehension of litigation¹² against Micron." *Micron*, 2006 WL 3050865 at *5. Specifically, the district
8 court cited the record of no threats against Micron for the last four years, of no threats to Micron's
9 customers, and of no public comments from MOSAID that mentioned Micron by name. *Id.* The district
10 court also held that even if subject matter jurisdiction were established, it would exercise its discretion
11 and still decline to hear the case. The Federal Circuit subsequently reversed the district court's ruling,
12 finding the four year lapse of time unavailing, because during that period, MOSAID was busy litigating
13 and negotiating against the other three leading DRAM manufacturers. 518 F.3d at 901. In reversing the
14 district court's dismissal, the Federal Circuit clearly stated that MOSAID's "threatening letters and
15 behavioral observation are not [plaintiff]'s only evidence" of a dispute and that "in sum, the record
16 evidence amply supports a real and substantial dispute." *Id.* at 901.

17 The same is true in the instant case. The parties' correspondence in 2006 clearly established a
18 real and substantial dispute. The intervening four years between the 2006 and 2010 letters does not
19 eliminate the immediacy of that dispute in light of AntiCancer's litigation with all the major competitors
20 in the market and AntiCancer's renewal of the dispute with MKT with the November 2010 letter. Under
21 the totality of circumstances of the facts alleged, MKT has sufficiently demonstrated a real and
22 substantial dispute between the parties. *Id.* at 897 (noting that patentees aggressive licensing and
23 litigation strategy amply supports a real and substantial dispute between the parties); *In re Casino De*
24 *Monaco Trademark Litig.*, 2010 U.S. Dist. LEXIS 33950 (S.D.N.Y. Mar. 31, 2010) ("While a threat of
25 suit is not necessary to declaratory judgment jurisdiction, an aggressive litigation strategy (such as what

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27 ¹¹ *Micron Tech. Inc., v. MOSAID Techs., Inc.*, No. C 06-4496, 2006 WL 3050865, 2006 U.S.
Dist. LEXIS 81510 (N.D.Cal. Oct. 23, 2006) (Jurisdiction Order).

28 ¹² The district court's "tenuous at best" determination relied on the now-defunct reasonable
apprehension of suit test.

1 was demonstrated in this three year litigation) may signal the existence of an actual controversy.”);
2 *Pharmanet, Inc.v. DataSci, LLC*, 2009 U.S. Dist. LEXIS 11661 (D.N.J. Feb. 17, 2009) (a patentee's
3 history of litigation with other parties is an appropriate factor for courts to consider in determining
4 whether subject matter jurisdiction exists under the Declaratory Judgment Act.)


5 Based upon the foregoing, the Court finds subject matter jurisdiction exists in this case and
6 would “serve the objectives for which the Declaratory Judgment Act was created.”¹³ As such,
7 AntiCancer’s motion to dismiss is DENIED.

8 **Conclusion**

9 For the reasons set forth above, AntiCancer's motion to dismiss for lack of subject matter
10 jurisdiction is DENIED.

11 IT IS SO ORDERED.

12
13 DATED: November 9, 2011

14 
15 Hon. Anthony J. Battaglia
16 U.S. District Judge
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28 ¹³ *Capo, Inc. v. Dioptics Med. Prods., Inc.*, 387 F.3d 1352, 1355 (Fed.Cir.2004) (quoting *EMC Corp. v. Norand Corp.*, 89 F.3d 807, 814 (Fed. Cir.1996)).

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Attorney for Defendant and Counterclaim Plaintiff AntiCancer, Inc.

**IN THE UNITED STATES DISTRICT COURT
 FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

MAUNA KEA TECHNOLOGIES, INC.,)	Civil Action No. 11cv1407 AJB JMA
)	
Plaintiff,)	ANSWER TO COMPLAINT;
)	COUNTERCLAIMS AGAINST MAUNA
v.)	KEA TECHNOLOGIES; DEMAND FOR
)	JURY TRIAL
ANTICANCER, INC.,)	
)	
Defendant.)	
_____)	
ANTICANCER, INC.,)	
)	
Counterclaim Plaintiff,)	
)	
v.)	
)	
MAUNA KEA TECHNOLOGIES and DOES)	
1-10,)	
)	
Counterclaim Defendants.)	
_____)	

ANSWER

In answer to the complaint for Declaratory Judgment filed by Mauna Kea Technologies (“Mauna Kea”) Defendant and Counterclaim Plaintiff AntiCancer, Inc. (“AntiCancer”):

1. Admits the allegations of paragraph 1.
2. Admits the allegations of paragraph 2.
3. Admits the allegations of paragraph 3.
4. Admits the allegations of paragraph 4.
5. Admits the allegations of paragraph 5.
6. Admits the allegations of paragraph 6.
7. Admits the allegations of paragraph 7.
8. Denies the allegations of paragraph 8.
9. Admits the allegations of paragraph 9.
10. Admits the allegations of paragraph 10.
11. Denies the allegations of paragraph 11.
12. Admits that in 2006 AntiCancer’s president, Robert M. Hoffman, Ph.D. sent a letter to Mauna Kea. Except as so admitted, AntiCancer denies the allegations of paragraph 12.
13. Admits that Dr. Hoffman sent a letter on or around March 22, 2006 to the President of Mauna Kea. Except as so admitted, AntiCancer denies the allegations of paragraph 13.
14. Denies the allegations of paragraph 14.
15. Admits that Dan Lawton sent a letter to Mauna Kea on or around November 22, 2010. Except as so admitted AntiCancer denies the allegations of paragraph 15.
16. Admits that on or around December 6, 2010 Mauna Kea filed an action for declaratory judgment against AntiCancer in the U.S. District Court for the Eastern District of Pennsylvania. Except as so admitted, AntiCancer denies the allegations of paragraph 16.

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17. Admits the allegations of paragraph 17.
18. Admits the allegations of paragraph 18.
19. Admits that Mauna Kea realleges and reincorporates the allegations of the preceding paragraphs.
20. Denies the allegations of paragraph 20.
21. Denies the allegations of paragraph 21.
22. Denies the allegations of paragraph 22.
23. Denies the allegations of paragraph 23.
24. Denies the allegations of paragraph 24.
25. Denies the allegations of paragraph 25.
26. Denies the allegations of paragraph 26.
27. Admits that Mauna Kea realleges and reincorporates the allegations of the preceding paragraphs.
28. Denies the allegations of paragraph 28.
29. Denies the allegations of paragraph 29.
30. Denies the allegations of paragraph 30.
31. Denies the allegations of paragraph 31.
32. Admits that Mauna Kea realleges and reincorporates the allegations of the preceding paragraphs.
33. Denies the allegations of paragraph 33.
34. Denies the allegations of paragraph 34.

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AFFIRMATIVE DEFENSES

In further answer to the claims of Mauna Kea, AntiCancer alleges the following:

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

35. Mauna Kea's claims fail to state any claim on which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

(Unclean Hands)

36. Mauna Kea, by its misconduct, is barred by its unclean hands from all legal and equitable relief requested by its claims against AntiCancer.

THIRD AFFIRMATIVE DEFENSE

(Laches)

37. Mauna Kea is not entitled to any recovery from AntiCancer because Mauna Kea's undue delay bars its action according to the doctrine of laches.

FOURTH AFFIRMATIVE DEFENSE

(Estoppel)

38. Mauna Kea is not entitled to any recovery against AntiCancer because Mauna Kea, by its own conduct, is estopped from asserting any claims against AntiCancer.

RESERVATION OF RIGHTS

39. AntiCancer currently has insufficient information upon which to form a belief as to whether it may have additional, as yet unstated affirmative defenses available. AntiCancer reserves the right to assert additional affirmative defenses in the event discovery or clarification of the claims indicates that it would be appropriate.

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COUNTERCLAIMS

AntiCancer, Inc., by and through its counsel, alleges for its Counterclaim against Mauna Kea Technologies and Does 1-10, inclusive as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to 28 U.S.C. § § 1331, 1332(a)(1), 1338(a), and 2201.

2. Venue is proper in this judicial district under pertinent law, including, *inter alia*, 28 U.S.C. §§ 1391 and 1400.

THE PARTIES

3. Counterclaim Plaintiff AntiCancer, Inc. ("AntiCancer") is a corporation organized and existing under the laws of the State of California and having as its principal place of business San Diego, California. AntiCancer has developed patented experimental mouse models and imaging techniques used by cancer researchers to test new anti-cancer drugs, among other applications. AntiCancer licenses this (and other) technology to both large and small research organizations, including several major pharmaceutical companies.

4. Counterclaim Defendant Mauna Kea Technologies ("Mauna Kea") is a corporation organized and existing under the laws of France, with its principal place of business at 9 Rue d'Enghien, 75010 Paris, France. Mauna Kea has a U.S. subsidiary named Mauna Kea Technologies, Inc. located at 660 Newtown-Yardley Road, Suite 107, Newtown, Pennsylvania. Mauna Kea manufactures and sells imaging devices to researchers worldwide, including in the United States. These devices are designed to image fluorescent proteins in live animals, and are advertised by Mauna Kea as such.

5. With these devices, Mauna Kea has performed the methods of AntiCancer's United States Patent Nos. 6,649,159 (the "159 Patent"), 6,759,038 (the "038" Patent), and 6,251,384 (the

1 “384” Patent) and has induced its customers to perform and/or contributed to their performance of
2 these methods, including but not limited to, by using Mauna Kea’s “CellVizio” imaging device to non-
3 invasively image cells transfected with GFP in living mice. Among Mauna Kea’s customers are Leica
4 Microsystems and Leica Microsystems, Inc., which, under license from Mauna Kea sell the CellVizio
5 as the “FCM1000” under the Leica brand name.

6
7 6. The true names and capacities, whether individual, corporate, associate, representative
8 or otherwise, of DOES 1 through 10, inclusive, are unknown to plaintiff, who therefore sues them by
9 such fictitious names. Plaintiff will seek leave to amend this complaint to show the true names and
10 capacities of said defendants when they are ascertained. Plaintiff is informed and believes, and
11 thereupon alleges, that each of the defendants named as a Doe, along with the named defendants, is
12 responsible in some manner for the occurrences herein alleged, and that plaintiff’s injuries herein
13 alleged were legally or proximately caused by said defendants. Wherever it is alleged that any act or
14 omission was also done or committed by any specifically named defendant, or by defendants generally,
15 plaintiff intends thereby to allege, and does allege, that the same act or omission was also done and
16 committed by each and every defendant named as a Doe, and each named defendant, both separately
17 and in concert or conspiracy with the named defendants.

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19 7. At all times mentioned herein, defendants, and each of them, were the agents, servants,
20 co-conspirators, or employees of one another, and the acts and omissions herein alleged were done or
21 suffered by them, acting individually and through or by their alleged capacity, within the scope of their
22 authority. Each of the defendants aided and abetted and rendered substantial assistance in the
23 accomplishment of the acts complained of herein. In taking the actions, as particularized herein, to aid
24 and abet and substantially assist in the commission of the misconduct complained of, each defendant
25 acted with an awareness of his, her or its primary wrongdoing and realized that his, her or its conduct
26 would substantially assist in the accomplishment of that misconduct and was aware of his, her or its
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1 overall contribution to, and furtherance of the conspiracy, common enterprise, and common course of
2 conduct. Defendants' acts of aiding and abetting included, inter alia, all of the acts each defendant is
3 alleged to have committed in furtherance of the conspiracy, common enterprise, and common course of
4 conduct complained of herein.

5
6 FIRST CLAIM FOR RELIEF

7 (Infringement of '159 Patent)

8 (Against Mauna Kea)

9 8. AntiCancer realleges and incorporates by reference as though fully set forth preceding
10 paragraphs 1 through 7.

11 9. United States Patent No. 6,649,159 (the "'159 Patent'") was issued by the United States
12 Patent and Trademark Office on November 18, 2003. A true and correct copy of the '159 Patent is
13 attached hereto as Exhibit "1" and incorporated herein by this reference.

14 10. AntiCancer is the sole owner of all rights, title and interest in and to the '159 Patent.

15 11. AntiCancer is informed and believes, and on that basis alleges, that Mauna Kea has
16 directly infringed the '159 Patent in violation of 35 U.S.C. §271(a) by, inter alia, using the CellVizio
17 device to perform one or more of the claimed methods of the '159 Patent, within the United States,
18 during the term of the '159 Patent, without AntiCancer's authorization.

19 12. Mauna Kea has also indirectly infringed the '159 Patent in violation of 35 U.S.C.
20 §271(b) by inducing direct infringements of the '159 Patent by third parties, including its customers.
21 In particular, Mauna Kea has sold or provided its CellVizio device to customers or other third parties
22 and has instructed and aided and induced them to perform one or more of the claimed methods of the
23 '159 Patent using the device, within the United States, during the term of the '159 Patent, without
24 AntiCancer's authorization. AntiCancer is informed and believes, and on that basis alleges that,
25 Mauna Kea had actual knowledge of the '159 Patent and its claimed inventions at least as early as
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1 2006, and has known and intended that its customers would directly infringe the '159 Patent by using
2 the CellVizio device in its intended manner and according to Mauna Kea's instructions.

3 13. Mauna Kea has also indirectly infringed the '159 Patent in violation of 35 U.S.C.
4 §271(c) by contributing to the direct infringements of the '159 Patent by third parties, including its
5 customers. In particular, Mauna Kea has imported its CellVizio device into the United States and has
6 sold it to customers for use in practicing the claimed inventions of the '159 Patent, during the term of
7 the '159 Patent, without AntiCancer's authorization, and, upon information and belief, knowing the
8 same to be especially made or especially adapted for use in an infringement of such patent, and not a
9 staple article or commodity of commerce suitable for substantial non-infringing use.

11 14. By reason of the foregoing, AntiCancer has suffered damages in an amount to be
12 proven at trial and, in addition, has suffered irreparable loss and injury.

13 15. The acts of infringement described above have been willful, deliberate and in reckless
14 disregard of AntiCancer's patent rights.

16 SECOND CLAIM FOR RELIEF

17 (Infringement of '038 Patent)

18 (Against Mauna Kea)

19 16. AntiCancer realleges and incorporates by reference as though fully set forth preceding
20 paragraphs 1 through 15.

21 17. United States Patent No. 6,759,038 (the "'038 Patent") was issued by the United States
22 Patent and Trademark Office on July 6, 2004. A true and correct copy of the '038 Patent is attached
23 hereto as Exhibit "2" and incorporated herein by this reference.

25 18. AntiCancer is the sole owner of all rights, title and interest in and to the '038 Patent.

26 19. AntiCancer is informed and believes, and on that basis alleges, that Mauna Kea has
27 directly infringed the '038 Patent in violation of 35 U.S.C. §271(a) by, inter alia, using the CellVizio
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1 device to perform one or more of the claimed methods of the '038 Patent, within the United States,
2 during the term of the '038 Patent, without AntiCancer's authorization.

3 20. Mauna Kea has also indirectly infringed the '038 Patent in violation of 35 U.S.C.
4 §271(b) by inducing direct infringements of the '038 Patent by third parties, including its customers.
5 In particular, Mauna Kea has sold or provided its CellVizio device to customers or other third parties
6 and has instructed and aided and induced them to perform one or more of the claimed methods of the
7 '038 Patent using the device, within the United States, during the term of the '038 Patent, without
8 AntiCancer's authorization. AntiCancer is informed and believes, and on that basis alleges that,
9 Mauna Kea had actual knowledge of the '038 Patent and its claimed inventions at least as early as
10 2006, and has known and intended that its customers would directly infringe the '038 Patent by using
11 the CellVizio device in its intended manner and according to Mauna Kea's instructions.
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13 21. Mauna Kea has also indirectly infringed the '038 Patent in violation of 35 U.S.C.
14 §271(c) by contributing to the direct infringements of the '038 Patent by third parties, including its
15 customers. In particular, Mauna Kea has imported its CellVizio device into the United States and has
16 sold it to customers for use in practicing the claimed inventions of the '038 Patent, during the term of
17 the '038 Patent, without AntiCancer's authorization, and, upon information and belief, knowing the
18 same to be especially made or especially adapted for use in an infringement of such patent, and not a
19 staple article or commodity of commerce suitable for substantial non-infringing use.
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21 22. By reason of the foregoing, AntiCancer has suffered damages in an amount to be
22 proven at trial and, in addition, has suffered irreparable loss and injury.
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24 23. The acts of infringement described above have been willful, deliberate and in reckless
25 disregard of AntiCancer's patent rights.
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THIRD CLAIM FOR RELIEF

(Infringement of '384 Patent)

(Against Mauna Kea)

24. AntiCancer realleges and incorporates by reference as though fully set forth preceding paragraphs 1 through 23.

25. United States Patent No. 6,251,384 (the "'384 Patent'") was issued by the United States Patent and Trademark Office on June 26, 2001. A true and correct copy of the '384 Patent is attached hereto as Exhibit "3" and incorporated herein by this reference.

26. AntiCancer is the sole owner of all rights, title and interest in and to the '384 Patent.

27. AntiCancer is informed and believes, and on that basis alleges, that Mauna Kea has directly infringed the '384 Patent in violation of 35 U.S.C. §271(a) by, inter alia, using the CellVizio device to perform one or more of the claimed methods of the '384 Patent, within the United States, during the term of the '038 Patent, without AntiCancer's authorization.

28. Mauna Kea has also indirectly infringed the '384 Patent in violation of 35 U.S.C. §271(b) by inducing direct infringements of the '384 Patent by third parties, including its customers. In particular, Mauna Kea has sold or provided its CellVizio device to customers or other third parties and has instructed and aided and induced them to perform one or more of the claimed methods of the '384 Patent using the device, within the United States, during the term of the '384 Patent, without AntiCancer's authorization. AntiCancer is informed and believes, and on that basis alleges that, Mauna Kea had actual knowledge of the '384 Patent and its claimed inventions at least as early as 2006, and has known and intended that its customers would directly infringe the '384 Patent by using the CellVizio device in its intended manner and according to Mauna Kea's instructions.

29. Mauna Kea has also indirectly infringed the '384 Patent in violation of 35 U.S.C. §271(c) by contributing to the direct infringements of the '384 Patent by third parties, including its

1 customers. In particular, Mauna Kea has imported its CellVizio device into the United States and has
2 sold it to customers for use in practicing the claimed inventions of the '384 Patent, during the term of
3 the '384 Patent, without AntiCancer's authorization, and, upon information and belief, knowing the
4 same to be especially made or especially adapted for use in an infringement of such patent, and not a
5 staple article or commodity of commerce suitable for substantial non-infringing use.

6 30. By reason of the foregoing, AntiCancer has suffered damages in an amount to be
7 proven at trial and, in addition, has suffered irreparable loss and injury.

8 31. The acts of infringement described above have been willful, deliberate and in reckless
9 disregard of AntiCancer's patent rights.

10 32. The acts of infringement described above have been willful, deliberate and in reckless
11 disregard of AntiCancer's patent rights.

12 PRAYER FOR RELIEF

13 WHEREFORE, Plaintiff AntiCancer prays for relief as follows:

- 14 (1) That Mauna Kea's claims be dismissed;
- 15 (2) That AntiCancer have judgment against Mauna Kea on the claims;
- 16 (3) That all defendants, and each of them, be adjudged to have willfully infringed the '159,
17 '038, and '384 patents under 35 U.S.C. § 271(a), (b) and (c);
- 18 (4) That the Court award AntiCancer damages under 35 U.S.C. § 284 that are adequate to
19 compensate for the infringement/s;
- 20 (5) That the Court deem this to be an exceptional case under 35 U.S.C., and award
21 increased damages and attorney's fees pursuant to 35 U.S.C. §§ 284 and 285;
- 22 (6) That defendants, and each of them, be preliminarily and permanently restrained
23 and enjoined under 35 U.S.C. § 283 from directly or indirectly infringing the '159, '038, and '384
24 patents;

(8) That AntiCancer have such other and further relief as this Court may deem just and proper.

ANTICANCER, INC.

By: /s/ Matt Valenti
MATT VALENTI
Attorney for Defendant and Counterclaim Plaintiff
AntiCancer, Inc.

DEMAND FOR TRIAL BY JURY

AntiCancer hereby demands a trial by jury as to all issues triable by jury.

ANTICANCER, INC.

DATED: November 23, 2011

By: /s/ Matt Valenti

MATT VALENTI

Attorney for Defendant and Counterclaim Plaintiff
AntiCancer, Inc.

CERTIFICATE OF SERVICE

I hereby certify that, on November 23, 2011, the foregoing document entitled **ANSWER TO COMPLAINT; COUNTERCLAIMS AGAINST MAUNA KEA TECHNOLOGIES; DEMAND FOR JURY TRIAL** was filed via the Case Management/Electronic Case Filing (CM/ECF) system, with service to be made on all parties via the automated generation and e-mailing of a Notice of Electronic Filing (NEF) by the CM/ECF system.

ANTICANCER, INC.

DATED: November 23, 2011

By: /s/ Matt Valenti

MATT VALENTI

Attorney for Defendant and Counterclaim Plaintiff
AntiCancer, Inc.

Case 3:11-cv-01407-AJB -JMA Document 19 Filed 12/16/11 Page 1 of 6

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6 Counsel for Plaintiff / Counterclaim Defendant

7 Mauna Kea Technologies

8 THE UNITED STATES DISTRICT COURT
9 FOR THE SOUTHERN DISTRICT CALIFORNIA

10 MAUNA KEA TECHNOLOGIES,

11 Plaintiff,

12 v.

13 ANTICANCER, INC.

14 Defendant;

Civil Action No. 11-cv-1407 AJB JMA

16 ANTICANCER, INC.,

17 Counterclaim-Plaintiff,

18 v.

19 MAUNA KEA TECHNOLOGIES, and
20 DOES 1-10,

21 Counterclaim-
22 Defendants

ANSWER TO COUNTERCLAIM

Counterclaim-Defendant Mauna Kea Technologies (“Mauna Kea”), by its attorneys,
for its Answer to the Counterclaim of AntiCancer, Inc. (“AntiCancer”), states as follows:

JURISDICTION AND VENUE

1. Mauna Kea admits that this Court has jurisdiction over this action under 28 U.S.C. §§ 1331, 1338(a), and 2201. The remainder of this allegation is denied.
2. Mauna Kea admits that venue is proper in this judicial district.

THE PARTIES

3. Mauna Kea admits that Counterclaim plaintiff AntiCancer, Inc. is a corporation organized under the laws of the State of California and that it has its principal place of business in San Diego, California. Mauna Kea is without knowledge necessary to assess the truth of the remainder of the allegations in this paragraph, on that basis denies them.
4. Admits.
5. Mauna Kea admits that Leica Microsystems was a customer of Mauna Kea. The remainder of this allegation is denied.
6. Denies.
7. Denies.

FIRST CLAIM FOR RELIEF

(Infringement of ‘159 Patent)

(Against Mauna Kea)

8. Mauna Kea incorporates by reference its responses to each of the previous paragraphs.
9. Mauna Kea admits that United States Patent and Trademark Office issued U.S.

Patent No. 6,649,159 on November 18, 2003. Although Exhibit 1 to AntiCancer's Complaint appears to be a true and correct copy of the '159 patent, Mauna Kea denies the remainder of this allegation on the basis that the exhibit speaks for itself.

10. Mauna Kea lacks knowledge sufficient to assess the truth of this allegation on that basis denies it.

11. Denies.

12. Mauna Kea refers to its Motion to Dismiss filed herewith and asserts that no answer to this allegation is necessary until after decision on its motion. In the event that the motion is denied, Mauna Kea states that it would answer that it has supplied its CellVizio device to customers or other third parties and that it has had awareness of the '159 patent since January 17, 2006. The remainder of this allegation would be denied.

13. Mauna Kea refers to its Motion to Dismiss filed herewith and asserts that no answer to this allegation is necessary until after decision on its motion. In the event that the motion is denied, Mauna Kea states that it would deny this allegation.

14. Denies.

15. Denies.

SECOND CLAIM FOR RELIEF

(Infringement of '038 Patent)

(Against Mauna Kea)

16. Mauna Kea incorporates by reference its responses to each of the previous paragraphs.

17. Mauna Kea admits that United States Patent and Trademark Office issued U.S.

Patent No. 6,759,038 on July 6, 2004. Although Exhibit 2 to AntiCancer's Complaint appears to be a true and correct copy of the '159 patent, Mauna Kea denies the remainder of this allegation on the basis that the exhibit speaks for itself.

18. Mauna Kea lacks knowledge sufficient to assess the truth of this allegation on that basis denies it.

19. Denies.

20. Mauna Kea refers to its Motion to Dismiss filed herewith and asserts that no answer to this allegation is necessary until after decision on its motion. In the event that the motion is denied, Mauna Kea states that it would answer that it has supplied its CellVizio device to customers or other third parties and that it has had awareness of the '159 patent since January 17, 2006. The remainder of this allegation would be denied.

21. Mauna Kea refers to its Motion to Dismiss filed herewith and asserts that no answer to this allegation is necessary until after decision on its motion. In the event that the motion is denied, Mauna Kea states that it would deny this allegation.

22. Denies.

23. Denies.

THIRD CLAIM FOR RELIEF

(Infringement of '384 Patent)

(Against Mauna Kea)

24. Mauna Kea incorporates by reference its responses to each of the previous paragraphs.

25. Mauna Kea admits that United States Patent and Trademark Office issued U.S.

1 Patent No. 6,251,384 on June 26, 2001. Although Exhibit 2 to AntiCancer's
2 Complaint appears to be a true and correct copy of the '384 patent, Mauna Kea
3 denies the remainder of this allegation on the basis that the exhibit speaks for
4 itself.

5 26. Mauna Kea lacks knowledge sufficient to assess the truth of this allegation on that
6 basis denies it.

7 27. Denies.

8 28. Mauna Kea refers to its Motion to Dismiss filed herewith and asserts that no
9 answer to this allegation is necessary until after decision on its motion. In the
10 event that the motion is denied, Mauna Kea states that it would answer that it has
11 supplied its CellVizio device to customers or other third parties and that it has had
12 awareness of the '159 patent since January 17, 2006. The remainder of this
13 allegation would be denied.

14 29. Mauna Kea refers to its Motion to Dismiss filed herewith and asserts that no
15 answer to this allegation is necessary until after decision on its motion. In the
16 event that the motion is denied, Mauna Kea states that it would deny this
17 allegation.

18 30. Denies.

19 31. Denies.

20 32. Denies.

21 Affirmative Defenses

- 22 a) The CellVizio device has substantial non-infringing uses.
- 23 b) The claims asserted against Mauna Kea are invalid and unenforceable.
- 24 c) Laches, equitable estoppel, waiver, and acquiescence bar AntiCancer's
- 25 causes of action and/or recovery of damages for such causes.
- 26
- 27
- 28

December 16, 2011

YOUNG & THOMPSON

By: /s/Jeffrey M. Goehring
Jeffrey M. Goehring

Counsel for Plaintiff / Counterclaim Defendant
Mauna Kea Technologies

CERTIFICATE OF SERVICE

The undersigned certifies that the within was served by the Court's ECF system upon the below listed counsel of record this 16th day of December, 2011.

Matthew D. Valenti
Anticancer, Inc.
7917 Ostrow Street
San Diego, CA 92111

Counsel for Defendant / Counterclaim Plaintiff
Anticancer, Inc.

By: /s/Jeffrey M. Goehring
Jeffrey M. Goehring

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209 Madison St., Suite 500
Alexandria, VA 22314
(703) 521-2297

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

MAUNA KEA TECHNOLOGIES,

Plaintiff,

vs.

ANTICANCER, INC.,

Defendant.

CASE NO. 11cv1407-CAB (JMA)

Order Granting Joint Motion For:

(1) Dismissal of AntiCancer, Inc's
Counterclaims With Prejudice;

(2) Dismissal of Mauna Kea's Claims
For Declaratory Judgment of
Invalidity and Unenforceability
Without Prejudice;

(3) Leave to File AntiCancer's
Amended Answer;

(4) Declaration of Non-Infringement
by Mauna Kea Technologies.

[Doc. No. 60]

ANTICANCER, INC.,

Counterclaim Plaintiff,

vs.

MAUNA KEA TECHNOLOGIES and
DOES 1-10,

Counterclaim Defendants.

Pursuant to the parties' Joint Motion, and finding good cause therefor, the Court hereby **DISMISSES WITH PREJUDICE** AntiCancer's counterclaims for direct, contributory, and inducement of infringement.

Pursuant to the parties' joint motion, and finding good cause therefor, the Court hereby **DISMISSES WITHOUT PREJUDICE** Mauna Kea's claims for declaratory judgment of invalidity and unenforceability.

1 The parties having jointly moved for leave for AntiCancer to file an Amended
2 Answer, and good cause appearing therefor, the Court hereby **GRANTS leave to file**
3 AntiCancer's Amended Answer, which was attached to the Joint Motion as Exhibit 1,
4 which was previously submitted by AntiCancer as docket entry 55-2.


5 AntiCancer having admitted in its Amended Answer that Mauna Kea does not
6 infringe the patents asserted in Mauna Kea's claim for declaratory judgment of
7 non-infringement, the Court hereby **DECLARES**, as agreed upon in the parties' joint
8 motion, that U.S. Patents Nos. 6,232,523; 6,235,968; 6,251,384; 6,649,159; 6,759,038;
9 and 6,905,831 are not infringed by Mauna Kea directly or indirectly.

10 Upon stipulation of the parties, and good cause appearing therefor, the Court
11 finds, and AntiCancer expressly acknowledges and admits, that as of the date of this
12 dismissal no Mauna Kea product, none of Mauna Kea's use of or other activity with
13 respect to its products, and none of Mauna Kea's promotional or other activity or
14 communications with respect to its customers or potential customers, constitutes or has
15 constituted infringement of any of AntiCancer's patents, directly or indirectly.

16 Also upon stipulation of the parties, and good cause appearing therefor, the
17 Court finds, and AntiCancer expressly acknowledges and admits, that collateral
18 estoppel and res judicata apply to all products, communications, or other activity of
19 Mauna Kea up to the date of this dismissal, such that no future infringement claim can
20 be based on such products, communications, or activity. Moreover, due to such
21 collateral estoppel, no future infringement claim can be based on any future product,
22 communication, or activity that is similar in relevant part to Mauna Kea's previous
23 products, communications, or activities.

24 Accordingly, the Joint Motion [Doc. No. 60] is **GRANTED**. This case is
25 **CLOSED**.

26 DATED: July 29, 2013

27
28 
CATHY ANN BENCIVENGO
United States District Judge

Case 3:11-cv-01407-CAB-JMA Document 62-1 Filed 08/09/13 Page 1 of 30

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Counsel for Mauna Kea Technologies

THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT CALIFORNIA

11 MAUNA KEA TECHNOLOGIES,
12
13 Declaratory Judgment
14 Plaintiff,

15 v.

16 ANTICANCER, INC.

17 Declaratory Judgment
18 Defendant;

19
20 ANTICANCER, INC.,

21 Counterclaim-
22 Plaintiff,

23 v.

24 MAUNA KEA TECHNOLOGIES,
25 and DOES 1-10,

26 Counterclaim-
27 Defendants

Civil Action No. 11-cv-1407 CAB
JMA

**MEMORANDUM OF POINTS
AND AUTHORITIES IN
SUPPORT OF MAUNA KEA
TECHNOLOGIES' MOTION FOR
ATTORNEY'S FEES UNDER 35
USC 285**

Date: October 17, 2013

Time: 2:00 p.m.

Courtroom: 4C

Judge: Bencivengo

1 *AJB, AntiCacner v. Carestream Health, Inc.* In a another case, on February 13, 2009,
 2 this Court similarly granted summary judgment of non-infringement of the ‘384, 038,
 3 and ‘159 patents based on insufficient PICs that fail to identify “where each element
 4 of each asserted claim is found within each Accused Instrumentality”. *See Ex. 9, pg.*
 5 *232, D.I. 214 in Case No. 3:07-cv-00097-JLS-RBB, AntiCancer, Inc. v. Cambridge*
 6 *Research & Instrumentation.*

7
 8 In a third summary judgment decision in a third case well after the two decisions
 9 noted above (and essentially contemporaneously with this case) this Court reached a
 10 similar decision and further found that AC’s PICs were “unreasonable” and “disingenuous”
 11 in light of the prior two decisions:
 12

13 [T]he Court has concluded that AntiCancer’s PICs are deficient, and
 14 further finds that **AntiCancer acted unreasonably** in submitting
 15 woefully insufficient PICs. It seems to the Court that AntiCancer was
 16 **disingenuous** in setting forth its theory of infringement with such vague
 17 PICs **given that it was made aware of the possible repercussions**
 18 **of insufficient PICS on at least two prior occasions** in cases before
 19 this Court.

20 *See Ex. 10, pg. 243-246, and 249-250, & Ex. 11, pg 252, D.I. 63 & 74 in*
 21 *Case No. 3:11-cv-00107-JLS-RBB, AntiCancer, Inc. v. Pfizer et al.*
 22 *(emphasis added).* Moreover, this Court required AC’s to pay the
 23 defendant’s attorney’s fees attributable to its motion. *See Ex. 11, pg. 252.*

24 AC was just as unreasonable and disingenuous in this case when it asserted
 25 insufficient PICs. AC knew or should have known that its insufficient PICs rendered
 26 its infringement claims baseless.

27 **VI. Mauna Kea Should Be Awarded \$193,198.50 In Attorney’s Fees And Costs**

1 To determine a reasonable attorneys' fee award, the Supreme Court has directed
2 trial courts to multiply the number of hours reasonably spent on the litigation by a
3 reasonable hourly rate. *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983). In support of
4 this fee application, MKT is filing under a declaration from Jeffrey Goehring (and
5 supporting exhibits). The declarations set forth the nature and extent of the legal
6 services Young & Thompson provided to MKT in connection with this action, the
7 hourly rates Young & Thompson charged, and the number of hours each Young &
8 Thompson attorney billed. As explained in the Declaration, the attorneys' fees MKT
9 seeks are based on reasonable billing rates multiplied by the number of hours
10 reasonably spent on this action.

11 Time spent preparing and litigating fee petitions is compensable. *See Anderson*
12 *v. Dir., Office of Workers Comp. Programs*, 91 F.3d 1322, 1325 (9th Cir.1996).

13 As detailed in the Goehring declaration, the fees and costs MKT incurred in
14 connection with this action since AC filed its baseless counterclaim totaled
15 \$193,198.50.

16 CONCLUSION

17 The Court should award \$193,198.50 for the reasons noted above.

18 August 9, 2013

19 YOUNG & THOMPSON

20 By: /s/ Jeffrey M. Goehring
21 Jeffrey M. Goehring

22 Counsel for Mauna Kea Technologies

Case 3:11-cv-01407-CAB-JMA Document 62-3 Filed 08/09/13 Page 1 of 3

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Counsel for Mauna Kea Technologies

10
11 THE UNITED STATES DISTRICT COURT
12 FOR THE SOUTHERN DISTRICT CALIFORNIA

13 MAUNA KEA TECHNOLOGIES,
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15 Declaratory Judgment
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17 ANTICANCER, INC.

18 Declaratory Judgment
19 Defendant;

20 ANTICANCER, INC.,

21 Counterclaim-
22 Plaintiff,

23 v.

24 MAUNA KEA TECHNOLOGIES,
25 and DOES 1-10,

26 Counterclaim-
27 Defendants

Civil Action No. 11-cv-1407 CAB
JMA

**DECLARATION OF Jeffrey M.
Goehring IN SUPPORT OF
MAUNA KEA TECHNOLOGIES'
MOTION FOR ATTORNEY'S
FEES**

Date: October 17, 2013

Time: 2:00 p.m.

Courtroom: 4C

Judge: Bencivengo

1 In support of Mauna Kea Technologies' ("MKT") Motion for Attorneys'
2 Fees, I, Jeffrey Goehring, state as follows:

3 1) I am an attorney licensed to practice law in the State of California since
4 2004, and I am admitted to practice before this Court. I am an attorney with the
5 law firm of Young & Thompson, attorneys of record for MKT herein. I have
6 personal knowledge of the facts set forth in this Declaration, and if called upon
7 to testify I could and would testify competently thereto.
8

9 2) I submit this declaration in support of MKT's motion for attorney's fees
10 against AntiCancer, Inc. ("AntiCancer").
11

12 3) Attached hereto as Exhibit A is a true the correct copy of the AIPLA's
13 Report of the Economic Survey analyzing billing rates charged for intellectual
14 property associates and partners at private firms in 2011. The Federal Circuit
15 has affirmed a determination of reasonable rates that relied on a similar AIPLA
16 survey. *See View Engineering, Inc. v. Robotic Vision Sys., Inc.*, 208 F.3d 981,
17 987-88 (Fed. Cir. 2000).
18

19 4) Attached hereto as Exhibit B is a spreadsheet that includes the hours,
20 hourly rates, and descriptions of work performed by Young & Thompson
21 attorneys throughout this case. The descriptions in the attached spreadsheet
22 have, in most instances, been revised from what appears on actual invoices to
23 protect the disclosure of attorney/client information, attorney work product, or
24 other highly sensitive litigation strategies but still summarize the nature of the
25 work and the time period of the work so that the Court and counsel can evaluate
26
27
28

1 the reasonableness of the work performed. The actual invoices and raw billing
2 data can be provided (subject to any claim of privilege) under seal if necessary.

3
4 5) Attached hereto as Exhibit C is a description of the services provided
5 during the invoice periods noted in the chart in Exhibit B. The numbers in
6 Exhibit C correspond to the invoice numbers in Exhibit B.

7
8 6) Attached hereto as Exhibit D are the biographies of the attorneys at
9 Young & Thompson that worked on this case, the undersigned, Jeffrey
10 Goehring, and Douglas Rigler.

11
12
13 I declare under penalty of perjury under the laws of the United States that
14 the foregoing is true and correct and that this declaration was executed on
15 August 9, 2013 at Alexandria, VA

16
17
18 By: /s/ Jeffrey Goehring
19 Jeffrey M. Goehring
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AIPLA

REPORT OF THE ECONOMIC SURVEY 2011

**PREPARED UNDER DIRECTION OF THE
AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION
LAW PRACTICE MANAGEMENT COMMITTEE**

**STEVEN M. AUVEL, CHAIR
DAVID A. DIVINE, VICE CHAIR**

July 2011



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Solo Practitioner

Average hourly billing rate in 2010 (Q34)

Solo Practitioner

		Average hourly billing rate in 2010				
		Number of Individuals	Mean (Average)	First Quartile 25%	Median (Midpoint)	Third Quartile 75%
All Individuals		183	\$295	\$225	\$295	\$350
Years of Intellectual Property Law Experience	Fewer than 5	13	\$244	\$168	\$200	\$255
	5-6	12	\$241	\$185	\$228	\$299
	7-9	8	\$247	\$200	\$238	\$318
	10-14	37	\$288	\$235	\$300	\$325
	15-24	45	\$317	\$250	\$300	\$380
	25-34	29	\$327	\$250	\$300	\$373
	35 or More	26	\$341	\$250	\$300	\$380
Location	Boston CMSA	8	\$308	\$261	\$313	\$351
	NYC CMSA	13	\$340	\$225	\$300	\$463
	Philadelphia CMSA	4	\$306	\$175	\$318	\$426
	Washington, DC CMSA	20	\$311	\$239	\$300	\$364
	Other East	19	\$281	\$225	\$250	\$300
	Metro Southeast	8	\$287	\$243	\$280	\$344
	Other Southeast	7	\$294	\$245	\$275	\$310
	Chicago CMSA	7	\$319	\$250	\$300	\$400
	Minne.-St. Paul PMSA	1	ISD	ISD	ISD	ISD
	Other Central	25	\$256	\$200	\$250	\$300
	Texas	10	\$271	\$220	\$263	\$331
	Los Angeles CMSA	13	\$338	\$230	\$345	\$400
	San Francisco CMSA	19	\$332	\$215	\$340	\$425
	Other West	29	\$278	\$205	\$285	\$314
IP Technical Specialization (>=50%)	Biotechnology	10	\$344	\$286	\$323	\$414
	Chemical	8	\$263	\$209	\$250	\$324
	Computer Hardware	1	ISD	ISD	ISD	ISD
	Computer Software	21	\$318	\$268	\$300	\$355
	Electrical	23	\$318	\$250	\$325	\$350
	Mechanical	51	\$265	\$200	\$250	\$300
	Medical/ Health Care	5	\$335	\$250	\$300	\$438
	Pharmaceutical	5	\$323	\$154	\$325	\$490
Age	Other areas	5	\$319	\$220	\$275	\$440
	Younger than 35	10	\$254	\$173	\$250	\$303
	35-39	12	\$221	\$181	\$200	\$281
	40-44	22	\$286	\$233	\$300	\$341
	45-49	21	\$340	\$250	\$325	\$445
	50-54	33	\$284	\$238	\$275	\$338
	55-59	32	\$289	\$209	\$268	\$325
Gender	60 or Older	51	\$317	\$250	\$300	\$365
	Male	159	\$295	\$225	\$300	\$350
Highest Non-Law Degree	Female	23	\$297	\$250	\$280	\$340
	Bachelor's Degree	91	\$302	\$240	\$295	\$350
	Master's Degree	61	\$285	\$200	\$300	\$325
	Doctorate Degree	23	\$293	\$210	\$300	\$340
Ethnicity	White/Caucasian	155	\$295	\$225	\$285	\$345
	Black/African American	3	\$222	ISD	\$240	ISD
	Hispanic/Latino	1	ISD	ISD	ISD	ISD
	Asian/Pacific Islander	12	\$322	\$285	\$313	\$375
	Blended	1	ISD	ISD	ISD	ISD
	Other	6	\$279	\$196	\$288	\$354

Private Firm, Partner

Average hourly billing rate in 2010 (Q34)

Private Firm, Partner

		Average hourly billing rate in 2010				
		Number of Individuals	Mean (Average)	First Quartile 25%	Median (Midpoint)	Third Quartile 75%
All Individuals		622	\$441	\$325	\$410	\$535
Years of Intellectual Property Law Experience	Fewer than 5	3	\$210	ISD	\$180	ISD
	5-6	9	\$345	\$240	\$275	\$325
	7-9	38	\$321	\$279	\$303	\$336
	10-14	137	\$383	\$303	\$360	\$425
	15-24	224	\$456	\$350	\$430	\$550
	25-34	147	\$481	\$375	\$450	\$595
	35 or More	62	\$524	\$380	\$550	\$653
Location	Boston CMSA	29	\$561	\$390	\$560	\$688
	NYC CMSA	43	\$557	\$400	\$590	\$675
	Philadelphia CMSA	26	\$457	\$374	\$450	\$513
	Washington, DC CMSA	107	\$483	\$360	\$460	\$600
	Other East	23	\$355	\$265	\$340	\$420
	Metro Southeast	16	\$396	\$326	\$383	\$450
	Other Southeast	12	\$374	\$328	\$369	\$419
	Chicago CMSA	52	\$447	\$376	\$423	\$500
	Minne.-St. Paul PMSA	26	\$409	\$344	\$396	\$455
	Other Central	132	\$351	\$280	\$333	\$410
	Texas	46	\$492	\$380	\$475	\$600
	Los Angeles CMSA	21	\$500	\$385	\$475	\$603
	San Francisco CMSA	27	\$571	\$395	\$585	\$700
	Other West	62	\$368	\$300	\$350	\$421
IP Technical Specialization (>=50%)	Biotechnology	29	\$490	\$350	\$535	\$603
	Chemical	42	\$373	\$298	\$336	\$455
	Computer Hardware	10	\$583	\$388	\$600	\$781
	Computer Software	44	\$414	\$300	\$377	\$525
	Electrical	67	\$454	\$330	\$440	\$550
	Mechanical	147	\$395	\$320	\$380	\$450
	Medical/ Health Care	20	\$461	\$321	\$395	\$579
	Pharmaceutical	17	\$523	\$375	\$525	\$690
Age	Other areas	6	\$451	\$348	\$443	\$588
	Younger than 35	10	\$247	\$180	\$238	\$303
	35-39	35	\$336	\$270	\$322	\$390
	40-44	114	\$411	\$309	\$360	\$485
	45-49	153	\$428	\$320	\$410	\$500
	50-54	98	\$455	\$349	\$433	\$520
	55-59	89	\$472	\$365	\$450	\$552
Gender	60 or Older	120	\$499	\$376	\$473	\$602
	Male	586	\$442	\$325	\$410	\$531
Highest Non-Law Degree	Female	50	\$427	\$285	\$418	\$558
	Bachelor's Degree	421	\$439	\$325	\$400	\$528
	Master's Degree	118	\$441	\$329	\$423	\$525
Ethnicity	Doctorate's Degree	38	\$437	\$312	\$395	\$558
	White/Caucasian	562	\$444	\$330	\$410	\$536
	Black/African American	5	\$434	\$278	\$370	\$623
	Hispanic/Latino	11	\$397	\$250	\$378	\$510
	Asian/Pacific Islander	16	\$441	\$350	\$420	\$500
	North American Indian/Native Canadian	1	ISD	ISD	ISD	ISD
	Blended	7	\$319	\$230	\$300	\$400
	Other	9	\$452	\$318	\$430	\$590
Full-time Intellectual Property lawyers and agents in the firm or corporation	1-2	28	\$293	\$250	\$293	\$343
	3-5	85	\$351	\$300	\$335	\$385
	6-10	74	\$366	\$304	\$355	\$396
	11-25	149	\$402	\$303	\$385	\$475
	26-50	86	\$434	\$344	\$425	\$489
	51-100	113	\$542	\$428	\$540	\$650
	101-150	33	\$586	\$465	\$540	\$738
	More than 150	45	\$608	\$518	\$600	\$663

AIPLA Report of the Economic Survey 2011

I-34

Private Firm, Associate

Average hourly billing rate in 2010 (Q34)

Private Firm, Associate

		Average hourly billing rate in 2010				
		Number of Individuals	Mean (Average)	First Quartile 25%	Median (Midpoint)	Third Quartile 75%
All Individuals		516	\$320	\$225	\$300	\$395
Years of Intellectual Property Law Experience	Fewer than 5	219	\$264	\$200	\$250	\$325
	5-6	96	\$306	\$240	\$288	\$370
	7-9	69	\$362	\$275	\$345	\$435
	10-14	69	\$406	\$300	\$395	\$503
	15-24	39	\$406	\$310	\$380	\$525
	25-34	8	\$496	\$413	\$468	\$580
	35 or More	5	\$439	\$240	\$325	\$695
Location	Boston CMSA	24	\$401	\$310	\$350	\$539
	NYC CMSA	31	\$433	\$300	\$410	\$645
	Philadelphia CMSA	19	\$324	\$275	\$330	\$375
	Washington, DC CMSA	102	\$375	\$289	\$368	\$450
	Other East	22	\$258	\$198	\$215	\$291
	Metro Southeast	18	\$310	\$255	\$314	\$384
	Other Southeast	14	\$249	\$204	\$240	\$300
	Chicago CMSA	33	\$334	\$273	\$315	\$410
	Minne.-St. Paul PMSA	28	\$272	\$200	\$281	\$319
	Other Central	94	\$242	\$189	\$230	\$276
	Texas	35	\$345	\$250	\$350	\$400
	Los Angeles CMSA	18	\$383	\$305	\$355	\$445
	San Francisco CMSA	19	\$361	\$260	\$370	\$470
	Other West	59	\$263	\$190	\$240	\$310
IP Technical Specialization (>=50%)	Biotechnology	26	\$319	\$229	\$305	\$375
	Chemical	37	\$318	\$270	\$300	\$355
	Computer Hardware	13	\$353	\$213	\$375	\$418
	Computer Software	60	\$335	\$240	\$318	\$400
	Electrical	57	\$330	\$230	\$325	\$408
	Mechanical	102	\$273	\$200	\$268	\$331
	Medical/ Health Care	17	\$291	\$225	\$275	\$325
	Pharmaceutical	23	\$345	\$275	\$325	\$410
Age	Other areas	10	\$355	\$253	\$325	\$485
	Younger than 35	195	\$273	\$200	\$260	\$325
	35-39	129	\$322	\$220	\$300	\$410
	40-44	94	\$363	\$275	\$365	\$435
	45-49	39	\$332	\$250	\$315	\$400
	50-54	29	\$358	\$270	\$310	\$450
	55-59	12	\$391	\$350	\$383	\$439
Gender	60 or Older	13	\$452	\$265	\$480	\$593
	Male	409	\$317	\$225	\$300	\$385
Highest Non-Law Degree	Female	105	\$329	\$225	\$315	\$410
	Bachelor's Degree	329	\$311	\$220	\$295	\$385
	Master's Degree	108	\$327	\$230	\$300	\$385
Ethnicity	Doctorate Degree	63	\$344	\$270	\$325	\$420
	White/Caucasian	460	\$320	\$225	\$300	\$395
	Black/African American	5	\$405	\$307	\$425	\$494
	Hispanic/Latino	4	\$295	\$201	\$223	\$461
	Asian/Pacific Islander	25	\$310	\$238	\$305	\$345
	North American Indian/Native Canadian	2	ISD	ISD	ISD	ISD
	Blended	8	\$317	\$293	\$300	\$378
	Other	4	\$269	\$243	\$255	\$309
Full-time Intellectual Property lawyers and agents in the firm or corporation	1-2	12	\$245	\$166	\$213	\$330
	3-5	42	\$249	\$183	\$238	\$300
	6-10	55	\$250	\$200	\$250	\$290
	11-25	106	\$278	\$205	\$265	\$331
	26-50	96	\$332	\$233	\$310	\$400
	51-100	110	\$372	\$275	\$350	\$460
	101-150	24	\$377	\$281	\$340	\$458
More than 150		55	\$386	\$320	\$390	\$450

AIPLA Report of the Economic Survey 2011

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Private Firm, Of Counsel

Average hourly billing rate in 2010 (Q34)

Private Firm, Of Counsel

		Average hourly billing rate in 2010				
		Number of Individuals	Mean (Average)	First Quartile: 25%	Median (Midpoint)	Third Quartile 75%
All Individuals		71	\$418	\$300	\$400	\$500
Years of Intellectual Property Law Experience	Fewer than 5	1	ISD	ISD	ISD	ISD
	5-6	4	\$311	\$240	\$313	\$381
	7-9	4	\$366	\$271	\$368	\$460
	10-14	18	\$422	\$339	\$393	\$518
	15-24	16	\$390	\$300	\$345	\$476
	25-34	12	\$418	\$289	\$413	\$519
	35 or More	15	\$502	\$390	\$450	\$600
Location	Boston CMSA	1	ISD	ISD	ISD	ISD
	NYC CMSA	5	\$442	\$385	\$400	\$520
	Philadelphia CMSA	2	ISD	ISD	ISD	ISD
	Washington, DC CMSA	19	\$485	\$400	\$450	\$585
	Other East	5	\$331	\$283	\$300	\$395
	Metro Southeast	8	\$394	\$306	\$376	\$488
	Other Southeast	4	\$308	\$300	\$303	\$320
	Chicago CMSA	2	ISD	ISD	ISD	ISD
	Minne.-St. Paul PMSA	3	\$345	ISD	\$300	ISD
	Other Central	7	\$257	\$220	\$250	\$300
	Texas	7	\$520	\$475	\$485	\$525
	San Francisco CMSA	4	\$623	\$574	\$613	\$681
	Other West	4	\$390	\$339	\$388	\$444
	Biotechnology	6	\$483	\$413	\$480	\$589
IP Technical Specialization (≥50%)	Chemical	3	\$305	ISD	\$285	ISD
	Computer Hardware	2	ISD	ISD	ISD	ISD
	Computer Software	5	\$483	\$317	\$515	\$633
	Electrical	8	\$494	\$363	\$420	\$619
	Mechanical	16	\$383	\$281	\$343	\$476
	Medical/ Health Care	4	\$428	\$318	\$405	\$560
	Pharmaceutical	2	ISD	ISD	ISD	ISD
	Other areas	0	ISD	ISD	ISD	ISD
Age	Younger than 35	1	ISD	ISD	ISD	ISD
	35-39	5	\$355	\$204	\$325	\$523
	40-44	14	\$375	\$300	\$343	\$409
	45-49	7	\$459	\$400	\$440	\$560
	50-54	9	\$341	\$280	\$300	\$415
	55-59	6	\$367	\$258	\$379	\$464
	60 or Older	29	\$469	\$348	\$450	\$593
Gender	Male	58	\$425	\$304	\$400	\$518
	Female	13	\$374	\$268	\$350	\$478
Highest Non-Law Degree	Bachelor's Degree	36	\$415	\$300	\$390	\$483
	Master's Degree	22	\$400	\$300	\$385	\$506
	Doctorate Degree	5	\$486	\$338	\$505	\$625
Ethnicity	White/Caucasian	61	\$412	\$300	\$400	\$493
	Black/African American	1	ISD	ISD	ISD	ISD
	Hispanic/Latino	1	ISD	ISD	ISD	ISD
	Asian/Pacific Islander	4	\$348	\$286	\$342	\$418
	Blended	2	ISD	ISD	ISD	ISD
Full-time Intellectual Property lawyers and agents in the firm or corporation	1-2	7	\$377	\$295	\$350	\$450
	3-5	9	\$330	\$275	\$325	\$395
	6-10	8	\$303	\$209	\$330	\$378
	11-25	11	\$328	\$270	\$300	\$400
	26-50	12	\$403	\$300	\$368	\$483
	51-100	13	\$514	\$450	\$500	\$545
	101-150	4	\$508	\$450	\$503	\$570
	More than 150	6	\$659	\$590	\$613	\$743

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Invoice Number	Service Period	Date	D. Rigler	Rate	Hours	J. Goehring	Rate	Hours	Total Attorney F
121007	January 2012	1/31/2012	\$ 11,820.00	\$ 600.00	19.70	\$ 8,378.00	\$ 295.00	28.40	\$ 20,198.00
121012	February 2012	2/29/2012	\$ 8,100.00	\$ 600.00	13.50	\$ 2,282.00	\$ 315.00	7.20	\$ 10,382.00
121014	March 2012	3/31/2012	\$ -	\$ 600.00	0.00	\$ 5,190.00	\$ 315.00	16.50	\$ 5,190.00
121023	June 2012	6/30/2012	\$ 4,260.00	\$ 600.00	7.10	\$ 15,561.00	\$ 315.00	49.40	\$ 19,821.00
121023	May 2012	6/30/2012	\$ 780.00	\$ 600.00	1.30	\$ 3,370.50	\$ 315.00	10.70	\$ 4,150.50
121023	April 2012	6/30/2012	\$ 2,400.00	\$ 600.00	4.00	\$ 1,921.50	\$ 315.00	6.10	\$ 4,321.50
121042	August 2012	8/31/2012	\$ 1,980.00	\$ 600.00	3.30	\$ 8,599.50	\$ 315.00	27.30	\$ 10,579.50
121042	July 2012	8/31/2012	\$ 1,680.00	\$ 600.00	2.80	\$ 3,024.00	\$ 315.00	9.60	\$ 4,704.00
121046	September 2012	9/30/2012	\$ 4,260.00	\$ 600.00	7.10	\$ 9,387.00	\$ 315.00	29.80	\$ 13,647.00
121056	October 2012	10/31/2012	\$ 3,840.00	\$ 600.00	6.40	\$ 4,378.50	\$ 315.00	13.90	\$ 8,218.50
121060	November 2012	11/30/2012	\$ 1,500.00	\$ 600.00	2.50	\$ 1,593.00	\$ 295.00	5.40	\$ 3,093.00
131005	January 2013	1/31/2013	\$ 2,880.00	\$ 600.00	4.80	\$ 4,395.50	\$ 295.00	14.90	\$ 7,275.50
131010	February 2013	2/28/2013	\$ 2,880.00	\$ 600.00	4.80	\$ 4,307.00	\$ 295.00	14.60	\$ 7,187.00
131018	March 2013	3/31/2013	\$ 1,170.00	\$ 600.00	1.80	\$ 4,851.00	\$ 315.00	15.40	\$ 6,021.00
131024	April 2013	4/30/2013	\$ 16,020.00	\$ 600.00	26.70	\$ 17,287.00	\$ 295.00	58.60	\$ 33,307.00
131031	June 2013	6/30/2013	\$ 4,200.00	\$ 600.00	7.00	\$ 3,805.50	\$ 295.00	12.90	\$ 8,005.50
131031	May 2013	6/30/2013	\$ 11,940.00	\$ 600.00	19.90	\$ 5,841.00	\$ 295.00	19.80	\$ 17,781.00
n/a	July & Aug 2013	n/a	\$ 3,300.00	\$ 600	5.50	\$ 6,016.50	\$ 315.00	19.10	\$ 9,316.50
TOTAL			\$ 83,010.00		138.20	\$ 110,188.50		359.60	\$ 193,198.50

12I007 Draft and prepare confidential letter to Magistrate Judge Adler outlining MKT position with respect to forthcoming Early Neutral Evaluation Conference; preparation for tele conference with AC counsel M. Valenti re form and content of lengthy status report to Court; various communications with MKT re ENE conference; format and presentation to be made by MKT; meet in Paris with MKT; review of issues and preparation for ENE conference; review of AC opposition to MKT motion to dismiss indirect infringement claims; commence reply to same; finalize and file MKT reply to AC opposition; final preparation for ENE (last minute news that Judge Adler is ill and we would appear before a substitute judge); meet with MKT and attend Early Neutral Evaluation Conference.

12I012 draft status report re Early Neutral Evaluation; attention to Scheduling Order and obligation re same; advise re strategy options; receipt of AntiCancer document production demand; consideration of objections; advise MKT re dates and strategy re future activities; further extensive invalidity research; receipt of AC infringement contentions and supporting materials; commence review of same; correspondence with MKT regarding the above

12I014 attention to invalidity contentions; prior art search; further prosecution file search and review re invalidity contentions; correspondence with MKT regarding the above

12I023 canceled the Hearing; negotiate, prepare, and file Joint Motion to Modify the Schedule Regarding Patent Disclosures; CMC by telephone with Judge Adler re status and schedule; Attention to invalidity contentions, priority dates, prior art search, and patent file histories; document review, review AC document production; review claim construction terms to be construed and proposed constructions; Review CellSight Motion for Summary Judgment; review AC's proposed claim constructions which they sent in advance of the 7-3 exchange date; correspondence with MKT regarding the above

12I042 coordinate date selection of settlement conference; counter claim constructions and designation of extrinsic evidence; receive and review claim construction chart from AC; telephone status conf. with Judge Adler; correspondence with AC counsel re. discovery meet and confer; prepare draft joint claim construction statement, chart, and worksheet and finalize for filing; review file histories regarding submission of videos; correspondence regarding missing videos; review status of AC's other litigation; correspondence with MKT regarding the above

- 12I046** identify and obtain missing videos from USPTO archive; prepare, edit, and file claim construction brief; review AC's claim construction brief; correspondence with MKT regarding the above
- 12I056** prepare, edit, and file responsive claim construction brief; review AC's responsive claim construction brief; reschedule claim construction hearing; correspondence with MKT regarding the above
- 12I060** case reassigned to J. Bencivengo; review status of AC's other litigation and summary judgment motions; correspondence with MKT regarding the above
- 13I005** prepare status report memorandum for MKT; draft and edit discovery requests; prepare letter re. potential Rule 11 motion; correspondence with MKT regarding the above
- 13I010** finalize and serve discovery requests; AC request and motion to reschedule claim construction hearing; prepare and file opposition to reschedule hearing; correspondence with MKT regarding the above
- 13I018** research and draft Rule 11 motion; prepare and file protective order; review documents for production; correspondence with MKT regarding the above
- 13I024** review AC discovery requests and consider objections; research and draft Rule 11 motion; discovery issues re. AC responses and inadequacies; prepare and edit MKT responses and objections to AC discovery requests; prepare for an attend claim construction hearing; correspondence with MKT regarding the above
- 13I031** report hearing to MKT; discovery document review and preparation; finalize and serve Rule 11 motion; conf. call with AC counsel for meet and confer re. motion to compel; review email and proposed motion to dismiss from AC counsel; review motion to dismiss and amended complaint from AC counsel; correspondence with AC counsel re. joint motion and motion for attorney's fees; status conference hearing with Court; order and review transcript; research regarding motion for attorney's fees; correspondence with MKT regarding the above

Billing in July and August 2013 since last invoice:

prepare joint motion to dismiss and order and correspondence with AC counsel regarding the same; finalize and file motion; research, prepare, and file motion for attorney's fees under 35 U.S.C. 285 and correspondence with MKT regarding the same; review, finalize, and file motion.

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Douglas V. Rigler

Mr. Rigler is a partner in the Firm and head of Young & Thompson's Licensing & Litigation Group. He is a highly experienced litigator, having argued twice as lead counsel selected to speak for multiple parties, including five foreign governments, in the Supreme Court of the United States. He has argued in numerous federal courts of appeal and state supreme courts, and before the U.S. International Trade Commission. At the trial level, he has been lead counsel in jury and bench trials in federal and state courts throughout the United States. During service as a member of the Atomic Safety and Licensing Board Panel of the U.S. Nuclear Regulatory Commission, Mr. Rigler presided over the largest antitrust trial in the history of the Agency, and the comprehensive opinion of the panel he chaired was upheld on appeal.

In addition to court appearances in the United States, Mr. Rigler has had a supervisory role as worldwide coordinating counsel for pretrial discovery, trial issues and strategy, and settlement of a number of international disputes involving U.S. and foreign counterpart patents. He has had widespread experience in the taking of international discovery in connection with U.S. and foreign proceedings, representing parties seeking information as well as parties resisting the production of information.

In addition to his courtroom practice, Mr. Rigler participates in dispute resolution through arbitration. Mr. Rigler has arbitrated in the United States and in foreign countries under the rules of the International Chamber of Commerce, the American Arbitration Association, the London Court of International Arbitration, and under ad hoc rules.

Either in connection with settlement of disputes or as a matter of a client's independent business objectives, Mr. Rigler drafts, negotiates and monitors license agreements on behalf of our clients. These agreements are domestic and international and include a large and diverse number of products and services. He also drafts and negotiates joint venture agreements and related commercial agreements.

Mr. Rigler attended The Johns Hopkins University and The United States Naval Academy. After completing his commitment as a Naval Aviator, he attended the George Washington University Law School where he was an honors graduate and an editor of the Law Review. He is the author of a number of law review articles.

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Douglas V. Rigler

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Jeff ~~X~~ Goehring

Mr. Goehring is an associate attorney in the Licensing and Litigation Group. Mr. Goehring holds a Bachelor of Arts degree in molecular biology from the University of Pennsylvania and is a 2004 graduate of Tulane Law School. He is a member of the California and the District of Columbia bars, and is registered to practice before the U.S. Patent and Trademark Office. As a law student, Mr. Goehring clerked for the Board of Patent Appeals and Interferences and for the Civil Division of the U.S. Attorney's Office in New Orleans.

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Matt Valenti (SBN 253978)
AntiCancer, Inc.
7917 Ostrow Street
San Diego, CA 92111
Tel: (858) 654-2555
Fax: (858) 268-4175
Email: mattvalenti@anticancer.com

Attorney for Defendant AntiCancer, Inc.

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

MAUNA KEA TECHNOLOGIES,
INC.,

Plaintiff,

v.

ANTICANCER, INC.,

Defendant.

Civil Action No. 11cv1407 CAB JMA

**ANTICANCER, INC.'S
OPPOSITION TO MAUNA KEA
TECHNOLOGIES' MOTION FOR
ATTORNEYS' FEES**

Date: October 17, 2013

Time: 2:00 p.m.

Courtroom: 4C

Judge: Hon. Cathy A. Bencivengo

AntiCancer, Inc., ("AntiCancer") respectfully files this Opposition to Mauna Kea Technologies' ("Mauna Kea") "Motion for Attorney's Fees Under 35 USC 285."

ANTICANCER, INC.'S OPPOSITION TO MAUNA KEA TECHNOLOGIES' MOTION FOR ATTORNEYS' FEES

1 rewarded for its intransigent refusal to produce documents; the natural
2 consequence of such refusal if to decline to find this case exceptional.

3 **b. Despite promising to do so, Mauna Kea failed to produce**
4 **documents regarding Mauna Kea's own pre-filing**
5 **investigation and the reasonableness of its claims of**
6 **invalidity against AntiCancer.**

7 Mauna Kea improperly withheld discovery documents, thus precluding
8 AntiCancer from evaluating Mauna Kea's good faith and subjective expectation of
9 success on Mauna Kea's invalidity claims. Mauna Kea did not produce any
10 promised documents regarding its pre-filing investigation. Valenti Dec. ¶¶ 15-17.
11 Not a single one. AntiCancer, on the other hand, produced over 3,700 pages of
12 documents regarding its counterclaim pre-filing investigation. Valenti Dec. ¶ 14.

13 There is reason to believe Mauna Kea's documents were never produced
14 because Mauna Kea itself inadequately investigated its own claims, particularly
15 with respect to its claims of patent invalidity. AntiCancer's asserted patents have
16 repeatedly survived vigorous invalidity challenges. Mauna Kea filed its
17 Declaratory Judgment action in the Eastern District of Pennsylvania, a mere few
18 weeks after receiving the letter from Dan Lawton which served as the basis for its
19 action. A reasonable inference from this timeframe is that Mauna Kea did not
20 adequately investigate its claims of invalidity before making them, and this
21 inference is supported by the fact that Mauna Kea never produced to Anticancer
22 any documents that might show proof of its investigation prior to filing its claims
23 of invalidity.

24
25 **2. The evidence submitted by Mauna Kea supporting its**
26 **attorneys' hours worked is grossly inadequate and**
27 **misleading.**
28

1 In addition to evidence supporting the rates claimed, “[t]he party seeking an
2 award of fees should submit evidence supporting the hours worked.” *Hensley v.*
3 *Eckhardt*, 461 U.S. 424, 433 (1983).¹ “Where the documentation of hours is
4 inadequate, the district court may reduce the award accordingly.” *Id.* at 433. The
5 applicant “should maintain billing time records in a manner that will enable
6 reviewing court to identify distinct claims.” *Id.* at 437.

7 Mauna Kea’s counsel performed work on the case that it would have
8 performed as a result of filing its Declaratory Judgment motion, regardless of
9 whether AntiCancer had filed its infringement counterclaims or not. This includes
10 nearly all the discovery it conducted, and all claims construction work. This other
11 work must be separated from the work done specifically to defend against the
12 infringement counterclaims and subtracted from the total attorney’s fees charged.
13 Only fees charged specifically to defend against AntiCancer’s counterclaims
14 should be awarded to Mauna Kea.

15 Failure to submit evidence supporting the hours worked is further
16 highlighted by the impossibility of separating the work done on AntiCancer’s
17 counterclaims and on other work based on the cursory information provided in
18 Exhibit C, pages 8–10 of Mauna Kea’s Motion for Attorney’s Fees. The
19 documentation of hours submitted by Mauna Kea in this case is wholly
20 inadequate. *See Hensley* at 433.

21 All or almost all the work listed in Exhibit C would have been necessary
22 because Mauna Kea initially filed its declaratory judgment action. AntiCancer
23 would have had to defend itself against the declaratory judgment action, resulting
24

25
26 ¹ Although *Hensley* was decided in context of the Civil Rights Attorney’s Fees Awards Act, in a
27 footnote, the Court in *Hensley* emphasized that its decision extended beyond civil rights cases.
28 “The standards set forth in this opinion are generally applicable in all cases in which Congress
has authorized an award of fees to a ‘prevailing party.’” *Hensley*, 461 U.S. at 433 n. 7. *See also*
U.S. v. Chapman, 146 F. 3d 1166, 1176 (9th Cir. 1998).

A084

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1 YOUNG & THOMPSON
2 Douglas V. Rigler (pro hac vice)
3 drigler@young-thompson.com
4 Jeffrey M. Goehring, 233002
5 jgoehring@young-thompson.com
6 209 Madison Street, Suite 500
7 Alexandria, Virginia 22314
8 Telephone: (703) 521-2297
9 Facsimile: (703) 685-0573

Counsel for Mauna Kea Technologies

THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT CALIFORNIA

11 MAUNA KEA TECHNOLOGIES,
12
13 Declaratory Judgment
14 Plaintiff,

15 v.

16 ANTICANCER, INC.

17 Declaratory Judgment
18 Defendant;

19
20 ANTICANCER, INC.,

21 Counterclaim-
22 Plaintiff,

23 v.

24 MAUNA KEA TECHNOLOGIES,
25 and DOES 1-10,

26 Counterclaim-
27 Defendants

Civil Action No. 11-cv-1407 CAB
JMA

**REPLY IN SUPPORT OF MAUNA
KEA TECHNOLOGIES' MOTION
FOR ATTORNEY'S FEES UNDER
35 USC 285**

Date: October 17, 2013
Time: 2:00 p.m.
Courtroom: 4C
Judge: Bencivengo

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Exhibit E	Cover letter/email to Douglas Rigler with attached letter	Pages 14 – 18
Exhibit F	May 10, 2012 letter from J. Goehring to M. Valenti	Pages 19 - 31
Exhibit G	May 28, 2012 email from M. Valenti to J. Goehring	Pages 32 - 33
Exhibit H	May 9, 2012 letter from J.Goehring to M. Valenti	Pages 34-35

Exhibit G

Jeff Goehring

From: Matt Valenti [Mattvalenti@anticancer.com]
Posted At: Tuesday, May 28, 2013 3:28 PM
Conversation: Dismissal of counterclaims
Subject: Dismissal of counterclaims

Dear Jeff,

As we are still in the safe harbor period provided by Rule 11, AntiCancer has decided to withdraw our Answer and Counterclaims and to dismiss with prejudice our counterclaims.

I have attached for your review a draft joint motion per Rule 41. Please review and let me know if it is acceptable to file with your signature.

Thank you,
Matt

Matt Valenti
Vice President and General Counsel

ANTICANCER, INC.
7917 Ostrow Street
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Phone: 858-654-2555
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10/10/2013

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International Patent & Trademark Law

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Emil Bönnelycke
1875-1936

William H. Young
1902-1958

Irvin S. Thompson
1903-1979



May 9, 2013

Matthew D. Valenti
AntiCancer, Inc.
7917 Ostrow Street
San Diego, CA 92111


Re: *Mauna Kea Technologies, Inc. v. AntiCancer, Inc.*
Civil Action No. 11-cv-1407 AJB/JMA

Dear Mr. Valenti,

As noted in detail in our previous letter of February 7, 2013, AntiCancer's Counterclaims are in violation of Rule 11 and subject you and AntiCancer to sanctions. Since we have had no response from you on this point, it was necessary to prepare a motion. Please see enclosed the Motion, the Memorandum in support of the Motion, Exhibits 1-7, and a Certificate of Service.

We will file the Motion with the Court after expiration of the safe harbour period.

Sincerely yours,


Jeffrey Goehring

JG/cam
Enclosures

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